

Social Return on Investment Analysis of Corporate Social Responsibility

(Project in Disadvantage Region in Indonesia: PT Pertamina Lubricants on Establishing Entrepreneurship Program in East Nusa Tenggara)

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Abstract

As one of Archipelagic State, discrepancy is still a general issue for Indonesia's economic & human capital development. In general, difficulties on accessing automotive repairment services and getting spare parts are still faced by those who lived in lesser and far remote islands of the country. As Indonesian government has main agenda to achieve equitable development and fulfill UN Agenda of Sustainable Development Goals (SDGs) No.8 on Decent & Economic Growth, realization has been made by state own subsidiary: PT Pertamina Lubricants (PTPL) through the establishment of Corporate Social Responsibility of Enduro Entrepreneur Program (EEP). Since it has been launched on 2018 in the province of Nusa Tenggara Timur (NTT), EEP which main goal is to create new entrepreneurs has brought new dimension on CSR programs by combining business, entrepreneurship, and social economic development program. This article examines how development program through CSR Activities of PT Pertamina Lubricants in establishing have brought multidimensional impacts in remote area of Indonesia. By applying methods of Social Return On Investment, the analysis shows that PTPL financing of EEP have impacted on advancing automotives repairing skills needed by mechanics, creating new employment, and making easier vehicle services access in rural areas. Based on the impact assessment of the Enduro Entrepreneurship Program, an SROI Ratio of 1:53 was obtained, meaning that for every investment of Rp.1, - an impact or benefit of Rp.5,3 is obtained. SROI method has proven to be sustainable approach on assessing social economic development program.

Keywords :

Automotive, Corporate Social Responsibility, Development Program, Indonesia, and Nusa Tenggara Timur.

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Biographies

Fendy E. Wahyudi is a lecturer at the Department of International Relations Universitas Diponegoro Semarang, Indonesia. His research interest focused on globalization, Islamism, and strategic studies of business and society in Indonesia. He was previously head of the Center for Research and Community Development of Faculty of Social and Political Sciences, Universitas Diponegoro. Currently, he is a team leader of Research and Consulting at the Universitas Diponegoro in various strategic study activities related to strategy, business, and community issues. He won several competitive research grants.

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