



# Communication Model for Community Empowerment in Oil Refinery Companies in Indonesia: Findings and Evidences

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**Abstract.** Implementation of community empowerment in CSR programs carried out by oil refinery companies in Indonesia is very varied and depends on local social and environmental conditions. The variations in social and environmental conditions have resulted in the absence of standards and standard references in the implementation of community empowerment that can be followed by companies. Whereas one of the challenges in operating an oil refinery business is the strong influence of social stability and social license that exists around the company's operations, so that the implementation of community empowerment programs is expected to support the stability of social conditions around the operation of an oil refinery company. One of the efforts made to understand the variations in social and environmental conditions in the implementation of the CSR program is through community empowerment communication. Community empowerment communication plays an important role in the process of exchanging information between companies and communities so that CSR programs can have a more beneficial impact on community self-reliance. This research is an attempt to find a model and evidence of the implementation of community empowerment communication carried out by oil refinery companies in Indonesia through the CSR program. The research was conducted qualitatively at three oil refinery companies in Bengkalis Regency, Riau Province; Palembang City, South Sumatra Province; and Sorong Regency, Southwest Papua Province in 2022 – 2023. The results of this research show that oil refinery companies have developed a community empowerment communication model through 1) community participation that encourages dialogue in community empowerment programs, 2) assistance in the implementation of sustainable community empowerment programs, 3) attention to local values and cultural factors in the preparation of community empowerment programs.

**Keywords:** Corporate Social Responsibility, Cultural Value, Dialogic, Participatory Communication, Sustainability.

## 1 Introduction

Community empowerment programs in Indonesia are implemented by various parties, not only the central government, but also distributed to regional governments, the private sector and the community. The concept of actor distribution in community empowerment is in line with the concept of sustainable development which encourages the active involvement of three actors, namely government, the private sector and society [4]. According to the ADB report [1], the private sector or companies also have enormous potential in contributing to development, especially in creating jobs and increasing people's income. Meanwhile, society has the potential to ensure that development programs are self-sufficient and sustainable [23]. The existence of the private sector, or companies and society, makes a difference in achieving sustainable development goals because of its role in ensuring social development can be sustainable, especially in environmental aspects [6]. The distribution of community empowerment implementation aims to ensure that development is carried out evenly and participatively by various parties, so that sustainable development goals can be achieved.

From the private or corporate sector, community empowerment programs are implemented through corporate social responsibility schemes or what is better known as corporate social responsibility (CSR), although not all CSR implementations lead to community empowerment [12]. In the context of its participation in community empowerment programs, the private sector in Indonesia also adheres to a number of regulations governing the implementation of community empowerment programs, starting from Law Number 40 of 2007 concerning Limited Liability Companies, Government Regulation Number 47 of 2012 concerning Social and Environmental Responsibility, Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number 1 of 2021 concerning the Company Performance Rating Assessment Program in Environmental Management or better known as PROPER. In the last regulation, it is specifically explained that the community empowerment program aims to encourage companies to contribute to efforts to improve the welfare of communities around operational areas with the principles of empowerment and structured efforts to encourage community independence [10].

To achieve the goal of community independence, companies as development agents need to build community empowerment programs that are in accordance with the local characteristics of communities in Indonesia, this is in line with the strong influence of socio-cultural aspects in development which are no less important than technical aspects [2]. This social culture differentiates it from the style of community empowerment in the western world [9], one of the most striking is the existence of collective action among communities in Indonesia in community empowerment programs [8].

A number of companies in Indonesia have also responded to the implementation of community empowerment programs with a local cultural approach and utilizing the

presence of local actors as drivers of development [20]. Local cultural values and local actors are characteristic of the success of community empowerment programs in Indonesia [22], apart from the fact that people in Indonesia are strongly influenced by local cultural factors, the existence of social capital can also encourage collective action that is influential in sustainability of community empowerment programs [13].

### **1.1 Community Empowerment Program at Oil Refinery Companies**

One industrial sector that contributes to sustainable development is the oil refinery industry. According to the ADB report [1], since the development of the oil industry in Indonesia in 1970, this industrial sector has contributed not only to the fiscal sector, but also to sustainable development efforts involving local communities through community empowerment programs. If we look at the PROPER ranking since it was used in 2021, there are only three companies in the oil refinery sector that have succeeded in achieving the PROPER GOLD ranking, namely the Oil Refinery Company located in Bengkalis Regency, Riau Province; Oil Refinery Company located in Palembang City, South Sumatra Province; and an Oil Refinery Company located in Sorong Regency, Southwest Papua Province [11].

These three companies are considered to have succeeded in developing community empowerment programs that not only promote prosperity but also increase community independence. The success of these three companies in implementing community empowerment programs is also driven by success in communicating empowerment programs to the community because in development, empowerment communication plays an important role in ensuring that information is conveyed well through existing communication channels to the community and can encourage collective action from stakeholders [18].

Communication as a community empowerment process is seen as the core point in the success of community empowerment programs [24]. Companies cannot only think about technical and financial aspects in implementing community empowerment programs, but also integrate the company's vision and mission into their communication strategy to all existing stakeholders [12]. Therefore, successful community empowerment communication can also encourage better social action [19] and create social relations that increase public awareness and community participation for program sustainability.

This research aims to reveal findings in community empowerment communication practices carried out by the three oil refinery companies. The findings in this research are important so that the good community empowerment communication practices carried out by these three companies can become role models for other companies, especially those that have similarities both from operational and regional aspects, to be able to successfully implement community empowerment programs that are in accordance with the characteristics of society in Indonesia, bearing in mind There are still many failures in implementing community empowerment programs, especially those carried out by companies in the oil refinery sector.

## 2 Research Methods

This research was carried out using qualitative methods with a case study approach at three locations, first the Oil Refinery in Bengkalis Regency, Riau Province, second the Oil Refinery in Palembang City, South Sumatra Province, and third the Oil Refinery in Sorong Regency, Southwest Papua Province. These three locations were chosen because these three locations are three oil refinery companies that received community empowerment management awards from the Ministry of Environment and Forestry of the Republic of Indonesia in 2022. Data collection was carried out through in-depth interviews and observations carried out from July 2022 to June 2023.

Data collection using in-depth interviews was carried out with key figures consisting of community empowerment program implementers from companies, community leaders, local government officials and beneficiaries. Observations were carried out through the participation of researchers in activities carried out by the company in community empowerment programs and community activities carried out independently without company involvement. The information found in this research was analyzed using source triangulation and data triangulation to confirm the conclusions of this research

## 3 Finding & Discussion

The three oil refinery companies carry out community empowerment programs around their respective operational areas by developing existing local potential to solve social and environmental problems based on community participation. The Oil Refinery Company in Bengkalis Regency, Riau Province is implementing a community empowerment program "Kampung Gambut Berdikari" based on strengthening the potential of peatlands to resolve social and environmental problems that exist around peatland areas which are characteristic of land in Riau Province. The Oil Refinery Company in Palembang City, South Sumatra Province is implementing a community empowerment program "Innovative Food Village" based on clean production governance in the food industry in the micro, small and medium enterprise sector in Palembang City. Lastly, the Oil Refinery Company in Sorong Regency, Papua Darat Daya Province implemented the "Klayas Semarak" community empowerment program based on increasing the capacity of the Moi ethnic community to increase community independence in meeting basic needs. Identification of community empowerment activities in the three oil refinery companies can be seen in table 1.

The three companies have also received the PROPER GOLD award as a form of assessing the success of the community empowerment program based on the Regulation of the Minister of Environment and Forestry of the Republic of Indonesia Number 1 of 2021. The list of PROPER GOLD achievements of the three oil refinery companies can be seen in table 2.

**Table 1.** Identification of community empowerment activities (Source: Research analysis, 2023)

| No | Location   | Community Em-<br>powerment Pro-<br>gram | Activities Identification  |
|----|--|---|--|
| 1  | Oil Refinery Company in Bengkalis Regency, Riau Province         | Kampung Gambut Berdikari                | <ul style="list-style-type: none"> <li>• Peatland fire mitigation</li> <li>• Intensification of peatland agriculture</li> <li>• Peat coastal protection</li> <li>• Purifying peat water for proper sanitation</li> </ul>   |
| 2  | Oil Refinery Company in Palembang City, South Sumatera Province  | Kampung Pangan Inovatif                 | <ul style="list-style-type: none"> <li>• Application of clean production in the food processing industry</li> <li>• Implementation of waste management in the food processing industry</li> </ul>  |
| 3  | Oil Refinery Company in Sorong Regency, Southwest Papua Province | Klayas Semarak                          | <ul style="list-style-type: none"> <li>• Arrangement of the village area</li> <li>• Providing access to clean water on a community basis</li> <li>• Strengthening local food security</li> <li>• Increasing the capacity of local communities through education and training</li> <li>• Preservation of local cultural arts</li> </ul> |

**Table 2.** Achievement of GOLD PROPER 2021-2022 (Source: Research analysis, 2023)

| No | Location   | PROPER Achievement |      |
|----|--|--------------------|------|
|    |  | 2021               | 2022 |
| 1  | Oil Refinery Company in Bengkalis Regency, Riau Province         | •                  | •    |
| 2  | Oil Refinery Company in Palembang City, South Sumatera Province  | -                  | •    |
| 3  | Oil Refinery Company in Sorong Regency, Southwest Papua Province | •                  | •    |

### 3.1 Community Empowerment Program at the Bengkalis Regency Oil Refinery, Riau Province

Implementation of a community empowerment program by an oil refinery company in Bengkalis district, Riau Province focuses on preserving the peatland ecosystem, considering that the company's existence is in the peatland ecosystem of Riau Prov-

ince, which is the province with the largest peatland area in Indonesia. The community empowerment program carried out by the company seeks to answer social and environmental problems in the form of peatland fires and losses caused by these land fires, from damage to plantation and agricultural land, disruption of community economic activities to health and education services.

To start implementing the community empowerment program, the first step taken by the company was to open communication with local figures and existing communities, especially local communities with Malay cultural patterns as part of the customs in the community. This stakeholder involvement is carried out regularly in the form of formal forums and informal forums.

The communication process is also encouraged by the presence of community empowerment program facilitators who act as mediators between the company and the community, so that the interests of the company and the community can be properly accommodated. The existence of a facilitator as a communication mediator also functions as a bridge to communicate with local actors, so that local actors have a special communication channel if they want to convey messages to the company. Apart from being a communication bridge with local actors, community empowerment program facilitators also function to filter information that is counter-productive to the community empowerment narrative. This information filtering function is important because in a local and geographical context, the Sungai Pakning area is in an area that is not very large, so misinformation can easily spread and disrupt the implementation of community empowerment programs. The company, through facilitators and workers, is also involved in socio-cultural and religious activities organized by the community. This involvement is because in local culture, socio-cultural and religious activities have an important role in mobilizing and maintaining community cohesiveness.

Apart from the communication process aspect, the company also pays attention to the substantive aspects of the community empowerment program by adjusting geographical conditions, peatland potential, and mitigating the company's operational risks. Judging from the geographical conditions and potential of peatlands, the company is developing community empowerment programs to adapt and mitigate the impacts of climate change, such as mitigating peatland fires, developing agriculture and peatland plantations, conserving peatlands and coasts, and purifying peat water for community sanitation.

Judging from the company's business risks in the form of oil refinery operations which have a high risk in terms of safety and fire, the company is developing a community empowerment program in the form of forming a fire care community as well as fireman and safetyman training to meet the company's workforce needs.

The success of community empowerment programs implemented by companies is also driven by collaboration between stakeholders at the local level, especially regarding adaptation and mitigation activities for climate change [17]. This collaboration can be developed well because there is a common interest between the company and the community in protecting peatlands [21] and the cultural closeness that exists in the community so that group communication is well established [5].

### **3.2 Community Empowerment Program at the Palembang City Oil Refinery, South Sumatera Province**

The implementation of the community empowerment program by the Oil Refinery company in Palembang City focuses on structuring village areas which are centers for micro, small and medium industries in food processing, especially the production of tempeh and herbal plant products. The location of the community empowerment program is located in Plaju Ulu Village, Plaju District, Palembang City, South Sumatera Province. This area is a densely populated and slum residential area, so that the people living in this area have long been in living conditions that are less than ideal in terms of sanitation and sanitation. well-being.

The oil refinery company started a community empowerment program by establishing communication with local government officials who have the authority to manage social activities in the community to plan activities that can be held in the area. After the local government was involved in the planning process, the company also showed itself as a role model in every activity carried out, such as cleaning water channels to installing waste water treatment plants for the tempe industry. If the company is not directly involved and only hands it over to third parties, then the community will not respond well to the implementation of the community empowerment program because the community is critical enough to express their opinions, this is in accordance with the characteristics of urban communities who are open to information and have quite extensive knowledge.

To anticipate this, the company also has a community empowerment facilitator who communicates intensively with the community, so that communication from the community to the company can be channeled through existing community empowerment facilitators. Apart from that, the presence of facilitators also plays a role as a communicator in conveying company business risk mitigation and as a bridge in communicating crises that occur. The company also routinely holds discussions with beneficiaries and coordinates with local governments [19] to clarify the flow of information from the company to the community or vice versa.

In substance, the community empowerment program, the company has also adapted to community needs, especially regarding capacity building and job creation in the community. Capacity building aims to prepare the community to become skilled in certain technical competencies, such as electricians, which are needed by the local community. Job creation aims to reduce the high unemployment rate in society by opening new business units based on micro, small and medium enterprises, so that job absorption for local communities can increase.

### **3.3 Community Empowerment Program at the Sorong Regency Oil Refinery, Southwest Papua Province**

The implementation of the community empowerment program by the oil refinery company in Sorong Regency, Papua Darat Daya Province focuses on increasing the capacity of local communities and providing basic infrastructure for communities in

remote areas, namely in Klayas Village, Seget District which is located 5 hours drive from the center of Sorong Regency.

The company started the communication process by involving local figures, especially traditional and religious figures, for the community empowerment activities carried out. The existence of these local figures functions to increase community involvement, participation and social action from the community. The company also has community empowerment facilitators to bridge communication with local figures and local communities.

In substance, the community empowerment program carried out by the company provides basic infrastructure to fulfill community needs, such as clean water for community sanitation, reactivation of elementary schools, opening of people's markets and production centers for sago as a staple food. Providing clean water for community sanitation is a basic need because the people in Klayas Village have not had access to clean water for the last 20 years. The company is working together with the community to build clean water storage and distribution infrastructure so that now all people in Klayas Village have access to clean water. To support the food security of local communities, the company is developing a production center for sago as a staple food by developing a cleaner sago processing factory with more production capacity to meet the community's food needs.

From a socio-cultural perspective, the company reactivated elementary schools for community education centers at both early childhood and elementary levels which had not been operating for 2 years due to the absence of teaching staff. Apart from that, the company participates in preserving local culture by building the Aisanun art studio. The activation of socio-cultural activities also increases community participation and social cohesion. Community participation can encourage local community involvement in maintaining the sustainability of community empowerment programs [14]. Community empowerment programs have created new relationships between communities in social and economic aspects [16].

## **4 Conclusion**

The three oil refinery companies that were the object of research showed that in implementing their community empowerment programs, the success of the program was driven by the success of community empowerment communications. Community empowerment communications carried out by the three companies involve at least several aspects, including involvement of local communities, involvement of local socio-cultural figures, involvement of government figures, using a cultural approach as a communication medium, using community empowerment facilitators as mediators in communication, developing risk mitigation-based communication company operations and prioritizing shared interests and creating shared added value between society and the company.



**Table 3.** Communication Aspect by Oil Refinery Company on Community Empowerment Communicatiton (Source: Research analysis, 2023)

| No | Communication Aspect  | Oil Refinery Company in Bengkalis Re-gency | Oil Refinery Company in Palembang City | Oil Refinery Company in Sorong Regency |
|----|---|--|--|--|
| 1  | Local community involve-ment  | •  | •                                      | •                                      |
| 2  | Involvement of local socio-cultural figures                         | •  | -                                      | •                                      |
| 3  | Involvement of government figures                                   | -  | •                                      | -                                      |
| 4  | Using a cultural approach as a communication medium                 | •  | •                                      | •                                      |
| 5  | Using a facilitator as a me-diator                                  | •  | •                                      | •                                      |
| 6  | Develop communication based on company opera-tional risk mitigation | •  | •                                      | -                                      |
| 7  | Prioritizing common inter-ests and creating shared added value      | •  | •                                      | •                                      |

Apart from the communication aspects that can be identified in the conclusions of this research, researchers also found fundamental differences that occurred in the implementation of community empowerment programs in the three companies. Oil refinery companies in Bengkalis Regency predominantly implement programs based on environmental conservation with peatland conservation which is a characteristic of the region. Meanwhile, the oil refinery company in Palembang City designed a program based on the needs of urban communities with more diverse backgrounds. Lastly, the oil refinery company in Sorong Regency implemented a community empowerment program based on indigenous communities who are the dominant population in the area. This third difference makes the community empowerment programs implemented by each company have different characters, but from the research results, there are several aspects of communication that are dominantly carried out by these three companies to support the successful implementation of community empowerment programs.

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