The Influence of Strategy Policy and Strategy Planning and Budgeting on the Effectiveness of LNG Tangguh Corporate Social Responsibility for the Welfare of the People of West Papua Mediated by Good Corporate Governance

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ABSTRACT: As we all know, the Land of Papua is one of the areas in Indonesia that has abundant natural resources. But apart from all that, the development of the Papua region actually seems slower than other regions. The provinces of Papua and West Papua live in poverty due to their abundant natural wealth. The paradox of the curse of natural resources seems to have found an answer on Cenderawasih Earth. For example, Freeport and LNG Tangguh , which if managed properly can make the Papuan people prosperous, but until now the Papuan people live in the shadow of endless poverty. The purpose of this study was to analyze the effect of Strategy Policy and Strategy Planning and Budgeting on the Effectiveness of LNG Tangguh Corporate Social Responsibility for the Welfare of the People of West Papua mediated by Good Corporate Governance. This study uses a descriptive and verification approach. The population in this study is the people of West Papua around the LNG Tangguh company, totaling 170 people. The sampling technique (sampling) used is a type of non-probability sampling, namely purposive sampling. In this study, researchers conducted two kinds of validity and reliability tests of research instruments. Testing the validity and reliability of the first stage was carried out using SPSS software version 25 as an initial stage and for the second stage testing with LISREL 8/80 software. Based on the research objectives, it can be concluded that some of the research results are as follows: there is a positive and significant effect of Strategy Policy on the Effectiveness of Corporate Social Responsibility, there is a positive and significant influence of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility, there is a positive and significant influence Strategy Policy on Good Corporate Governance, there is a positive and significant effect of Strategy Planning and Budgeting on Good Corporate Governance, there is a positive and significant effect of Good Corporate Governance on the Effectiveness of Corporate Social Responsibility, there is a positive and significant effect of Strategy Policy on the Effectiveness of Good Mediated Corporate Social Responsibility Corporate Governance. there is a positive and significant effect of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility mediated by Good Corporate Governance. The results of this study are new from the results of previous studies which can increase the influence of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility. The results of this study can be input for the Central Government so that they can play an active role in implementing policies related to corporate social responsibility policies for the welfare of indigenous Papuans in the Tangguh Bintuni LNG mining area, West Papua. It is hoped that the involvement of all stakeholders, both at the regional and central levels, will be more intense considering that the results of the LNG Tangguh mining should be able to alleviate poverty in the Tangguh Bintuni LNG mining area in West Papua.

KEYWORDS: corporate social responsibility, strategy polocy, strategy planning and budgeting, good corporate governance, Papua, LNG Tangguh

INTRODUCTION

1.1. RESEARCH BACKGROUND

Indonesia is a large country, not only in terms of territory but also with abundant natural resources. Even with the abundance of natural wealth, there are still many areas that are not prosperous. This is accompanied by the appearance of various screams and a desire to break free. Call it Papua and Aceh, these two provinces have always heard expressions of wanting to express themselves from the bosom of the Unitary State of the Republic of Indonesia. Papua is an island in eastern Indonesia that stretches from Fani Supiori Island in Papua to Adi Kaimana Island in West Papua, from the Ayau Raja Ampat Islands in West Papua to Sota Merauke in

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South Papua. As we all know that Papua is one of the provinces in Indonesia which has a large area. In addition to its large territory, Papua is also a province that has abundant natural resources. But apart from all that, the development of the Papua region actually seems slower than other regions. The provinces of Papua and West Papua live in poverty due to their abundant natural wealth. The resource curse, or abundance paradox, refers to the paradox that countries and regions rich in natural resources, especially non-renewable resources such as minerals and fuel, tend to experience slower economic growth. According to research from Richard Auty from Lancaster University, England and Allan Gelb from the Center for Global in a Journal entitled Political Economy of Resource-Abundant States published by ResearchGate in January 2001 explaining that luring natural resources tends to undermine investment efficiency while resource-poor wealth puts high efficiency. This was later stated by Richard Auty as the "natural resource curse". Where a strong correlation was found between attracting natural resources and poor economic growth. After finding that beginning, knowledge of the resource curse has increasingly shifted towards explaining why some resource-rich countries thrive and why others don't.

The paradox of the curse of natural resources seems to have found an answer on Cenderawasih Earth. For example, Freeport and LNG Tangguh , which if managed properly can make the Papuan people prosperous, but until now the Papuan people live in the shadow of endless poverty. According to a journal entitled The Political Economy of the Resource Curse, written by Michael L Ross of the University of California, Los Angeles, published by ResearchGate in January 1999, explains how the wealth of a country's natural resources affects its economic development. New research suggests that natural resource wealth tends to hurt economic growth, but there is little agreement as to why this is the case.

Hery (2017:104) defines CSR as the responsibility of an organization towards the impacts of its decisions and activities on the society and environment, manifested in transparent and ethical behavior that aligns with sustainable development, including the health and welfare of the community. CSR is one of the strategies employed by companies to maintain their business existence. Companies are no longer bound by the single bottom line responsibility, which is solely based on financial conditions. However, with the development of the Triple Bottom Line concept proposed by John Elkington in 1997, companies are now faced with three concepts, namely profit, people, and planet. Corporate Social Responsibility (CSR) is the moral responsibility of a business organization towards groups that are its stakeholders and are directly or indirectly affected by the company's operations (Nursahid, 2006).

The definition of Strategic Policy is a process or series of decision-making activities that are fundamental and comprehensive in nature, accompanied by a determination of how to implement them, made by the leadership of the organization and implemented by all levels within the organization to achieve organizational goals and policies. Successful organizations will have an overarching policy strategy that drives all other strategies. Organizational strategy and information strategy depend on the policy strategy. All three strategies must be carefully balanced because changes will impact the others. (Couch 2019). Strategy Budgeting is a written plan regarding the activities of an organization which is stated quantitatively and generally expressed in units of money for a certain period of time (Nafarin, 2004:12). Basically strategy budgeting is a tool used in a company or business organization to disclose activity plans in quantitative units, coordinate and implement as well as control operational activities and assess managerial performance in a company organization (Suharman, 2006:76). The definition of Good Corporate Governance (GCG) given by experts, including: Good Corporate Governance according to Wahyudi Prakarsa (2007: 120) is as follows: "Good Corporate Governance is an administrative mechanism that regulates the relationships between company management, commissioners, directors, shareholders and other interest groups (stakeholders). Good Corporate Governance (GCG) according to Ardeno Kurniawan (2012:27): "Good Corporate Governance (GCG) or organizational governance is a set of relationships that occur between management, directors, shareholders, and other stakeholders such as employees, creditors, and public."

As the saying goes, it is like a dead chicken in a rice barn, so you can see that Papua is a country rich in natural resources, but its people are not yet prosperous, and poverty is still gaping. Then where did the natural wealth of Papua go? Where do the profits from mining products in Papua go? If the company holds CSR, then which program has succeeded in prospering the community around the mine? This is the big question from the people who own mining customary rights and the people who live around mining areas. To what extent do they feel that their welfare is in accordance with the natural products dredged from Cenderawasih Earth. The above conditions have caused Indigenous Papuans, especially those living in mining areas, to feel that the presence of mining companies and mining activities does not add to their welfare, but instead makes them more marginalized, divided between the pro and contra mining groups, the large number of outsiders who enter the mining area, there is no guarantee of welfare from mining products, it is difficult to find daily needs because mining access has been opened, animals and fish that are around residents disappear due to mining activities, forests, especially their productive forests, are cleared which causes the supply of food to decrease or even stop. Meanwhile, the company always avoids being asked to take responsibility for the welfare

of indigenous peoples around mining. The company always argues that there is no profit yet so that the company's social responsibility (CSR) program is still not running optimally. Conditions like these have resulted in the average indigenous peoples in mining areas in the Land of Papua always rejecting mining activities. The community assesses whether there is mining or not, their condition is always the same. Mining even brought about the destruction of their customary lands. This is the main source of objection to mining in the Land of Papua.

Teluk Bintuni Regency is a district located in the Beak Beak area, Papua Island. This district is located in the lowlands with an average altitude of 0-100 meters above sea level. Geographically, Teluk Bintuni Regency is bordered by Manokwari and South Manokwari Regencies in the north, Teluk Wondama Regency in the east. Fakfak and Kaimana Regencies in the south, and South Sorong District in the west. British Petroleum (BP) is a multinational company engaged in the energy sector and is one of the world's integrated oil and gas companies. BP is headquartered in London and has branch offices or projects spread across 72 countries. LNG Tangguh is a development of six integrated gas fields located in the Wiriagar, Berau and Muturi Cooperation Contracts (PSC) areas in Bintuni Bay, West Papua. Tangguh started production in 2009, only four years after obtaining approval from the Government. LNG Tangguh has been operating within its capacity, and development is underway to add another new LNG plant (Train 3) at Tangguh.

The novelty to be achieved in this study is whether there is a relationship between strategy policy and strategy budgeting in the effectiveness of Corporate Social Responsibility. Corporate Social Responsibility for the welfare of society. CSR must be directed at increasing welfare, not just implementing the rules in the memorandum of understanding when entering into investment work agreements with the government. The effectiveness of Corporate Social Responsibility must be directly proportional to the welfare of society. Strategic policies and planning and budgeting policies must touch the real conditions of society so that CSR programs participate and even play a role in improving people's welfare. In addition, the preparation of CSR, especially on the strategy of policy and strategy planning and budgeting, is devoted to the perspective of indigenous Papuans as owners of the customary territory of a mine. This study is very important considering the many problems that occur in the Land of Papua are about the conflict between indigenous peoples and the company. This triggers instability of investment in these customary territories and this dispute ends up hurting the government because it has to spend a number of funds to resolve the said dispute. Based on the description above, the researcher wants to conduct further research regarding the policy strategy and strategy planning and budgeting for the CSR program at the LNG Tangguh in West Papua with a research entitled: The Effect of Strategy Policy and Strategy Budgeting on the Effectiveness of LNG Tangguh Corporate Social Responsibility for the Welfare of the People of West Papua Mediated By Good Corporate Governance. Based on the background above, some of the problems in this study are: is there an effect of Strategy Policy and Strategy Budgeting on the Effectiveness of Corporate Social Responsibility Mediated by Good Corporate Governance. The purpose of this study is to analyze the effect of Strategy Policy and Strategy Budgeting on the Effectiveness of Corporate Social Responsibility mediated by Good Corporate Governance. The benefits of the results of this research include: Research results can be used as reference material for researchers on Corporate Social Responsibility in the Land of Papua and the results of the research are expected to become learning materials and the application of knowledge in the field of Corporate Social Responsibility management. While the practical benefit is that the results of this research are expected to provide material for consideration related to the quality of managing Corporate Social Responsibility in Indonesia, more specifically in the Land of Papua.

1.2. RESEARCH METHODS

This study examines the influence of Strategy Policy and Strategic Planning and Budgeting on the Effectiveness of Corporate Social Responsibility at LNG Tangguh in West Papua mediated by Good Corporate Governance. Further framework of thought can be seen in the image below:

The Influence of Strategy Policy and Strategy Planning and Budgeting on the Effectiveness of LNG Tangguh Corporate Social Responsibility for the Welfare of the People of West Papua Mediated by Good Corporate Governance
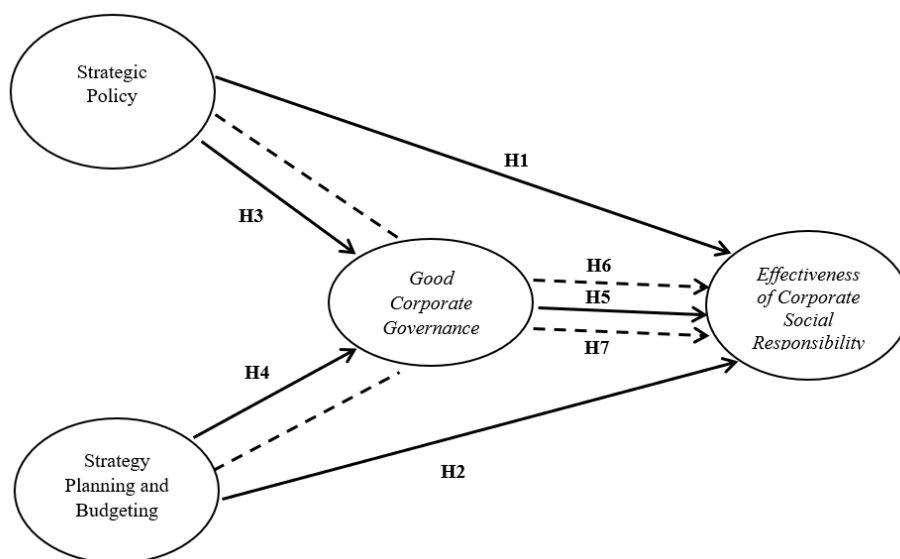
In Figure it can be seen that there are two independent variables, namely Strategic Policy and Strategic Planning and Budgeting and Good Corporate Government while the dependent variable is Good Corporate Government and the Effectiveness of Corporate Social Responsibility.

This study examines the influence of Policy Strategy and Strategic Planning and Budgeting on the Effectiveness of Corporate Social Responsibility at the LNG Tangguh in West Papua which is mediated by Good Corporate Governance with the formulation of the hypothesis (H) as follows:

H1. There is an influence of Strategy Policy on the Effectiveness of Corporate Social Responsibility.

H2. There is an influence of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility

H3. There is an influence of Strategy Policy on Good Corporate Governance

H4. There is an influence of Strategy Planning and Budgeting on Good Corporate Governance

H5. There is the influence of Good Corporate Governance on the Effectiveness of Corporate Social Responsibility.

H6. There is an influence of Strategy Policy on the Effectiveness of Corporate Social Responsibility Mediated by Good Corporate Governance

H7. There is an influence of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility Mediated by Good Corporate Governance

This research uses a descriptive and verification approach (Hair, Samuel & Page, 2015; Voler Hoffman, 2015). This research uses a deductive approach and is quantitative in nature (Rahi, 2017). This study also tested the hypothesis, Strategic Policy, Strategic Planning and Budgeting as independent variables on the dependent variable, namely the Effectiveness of Corporate Social Responsibility mediated by Good Corporate Governance. The population in this study is the people of West Papua around the LNG Tangguh company. In determining the number of samples citing the opinion of Hair et al (2010), namely the number of samples is at least 5-10 times the number of indicators. Hair et al (2010) also suggested that the appropriate sample size ranged from 100-200 respondents. In this study, of the 4 variables, there were 42 indicators so that the number of samples taken was at least 5 times the number of indicators 42, so a sample of 210 respondents was obtained which was deemed sufficient to represent the population. The sampling technique (sampling) used is a type of non-probability sampling, namely purposive sampling. Non-probability sampling is a sampling technique that is not based on the probability/chance of each member of the population to be selected as a member of the sample as part of the population. While purposive sampling is a way of taking samples from members of the population based on the suitability of the sample with the specified criteria. To measure and identify the determinants of Corporate Social Responsibility Effectiveness is measured by 4 (four) dimensions with 8 (eight) statement indicators. The measurement of this variable uses an interval scale with a Likert scale of 5 points, namely 1 (strongly disagree), 2 (disagree), 3 (neutral), 4 (agree), 5 (strongly agree). (Hi et al., 2019).

1.3. RESULTS AND DISCUSSION

The population in this study is all the people living around the LNG Tangguh company in West Papua. In determining the number of samples citing the opinion of Hair et al (2010), namely the number of samples is at least 5-10 times the number of indicators.

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Hair et al (2010) also suggested that the appropriate sample size ranged from 100-200 respondents. In this study, of the 4 variables, there were 34 indicators so that the number of samples taken was at least 5 times the number of indicators 34, so a sample of 170 respondents was obtained which was deemed sufficient to represent the population. The sampling technique (sampling) used is a type of non-probability sampling, namely purposive sampling. The primary data in this study is a questionnaire with the data collection method using field studies. Questionnaires were distributed to 170 respondents who are members of the community around the Tangguh West Papua LNG company. Validity testing in this study was carried out by comparing r-tables with r-counts. If r-table > r-count, then the question item is declared invalid, and vice versa, if r-table < r-count, then the question item is declared valid. (Arikunto, 2004: 146). Calculation of the validity value in this study using the Microsoft Excel 2007 computer program.

Researchers conducted two kinds of validity and reliability tests of research instruments. Testing the validity and reliability of the first stage was carried out using SPSS software version 25 as an initial step to find out and determine which indicators could be included for the second stage of testing with LISREL 8/80 software. The results of testing the validity of the question items on the questionnaire for each variable with a Corrected Item Total Correlation value or a value of r > 0.3 (Sugiyono, 2006) or r > 0.2 (Nisfiannoor, 2013). If the value of r > 0.3, this means that the statement item/indicator is valid. The reliability test value of r-count will then be compared with r-table with a significance level of 5%, if r-count > r-table, then the item instrument is declared reliable and can be used as a data collection tool for this calculation (Arikunto, 2004). Calculation of the validity value in this study using the Microsoft Excel computer program. For the reliability test using Cronbach's alpha, if each variable (latent) obtains a Cronbach's alpha value > 0.6 it means that the instrument can be said to be reliable. The first step that can be done in this approach is to specify a hybrid model as a CFA (Confirmatory Factor Analysis) and SOCFA (Second Order Confirmatory Factor Analysis) model. The CFA and SOCFA models are measurement models that model the relationship between latent variables and observed/measured variables. This relationship is reflective, where the observed variables are a reflection of the related variables. The final results of CFA and SOCFA were obtained by testing the fit of the entire model, analyzing the validity and reliability of the model. One way that can be done is by trimming the model, in which the validity analysis of the measurement model is carried out by examining (a) whether the t-value of the Standardized Loading Factor (λ) of the observed variables in the model is < 1.96. Furthermore (b) Standardized Loading Factor (λ) of the observed variables in the model ≥ 0.70 or if we choose the suggestion of Igbaria et al (1997) in Wijanto, 2008 ≥ 0.50. If there are variables that do not fulfill these two conditions, they will be removed from the model. The data analysis method in this study uses the Structural Equation Model (SEM) method. The software used for structural analysis is LISREL 8.80. To test the proposed hypothesis, the data obtained is then processed according to the needs of the analysis. The data is processed and presented based on the principles of descriptive statistics which will be used for discussion purposes. Meanwhile, for the purposes of analysis and hypothesis testing, an inferential statistical approach is used. SEM analysis uses a statistical program namely LISREL 8.80. The next analysis is to determine the suitability of the model by evaluating various goodness of fit criteria. According to Widarjono (2010), evaluating the suitability of the model as a whole includes Chi-Squars, Goodness-Of-Fit Index (GFI), Adjusted Goodness-Of-Fit Index (AGFI), and Root Mean Square Error (RMSR). The characteristics of the respondents who have been determined consist of three characteristics, namely (1) Gender, (2) Age, (3) Education and (4) Marital Status. Based on gender, it was found that there were more male respondents than female respondents, namely 100 males (58.8%) and 70 females (41.2%). Based on the age of the respondents, it was known that most of the respondents were aged 35-45 years, namely 75 people (63.6%) and the smallest were aged > 55 years, namely 15 people (8.8%). Based on education, it was known that most of the respondents' education was in high school, namely as many as 85 people (50%) and the smallest respondents were in Masters, namely as many as 5 people (2.9%). Based on marital status, it is known that the number of respondents who are married is more than unmarried, namely 120 people are married (70.6%) and 50 people are not married (29.4%). In this study the responses or respondents to the research variables were through descriptive analysis of each indicator. The variables in this study consist of Strategy Policy, Strategy Planning and Budgeting, Good Corporate Governance and Effectiveness of Corporate Social Responsibility.

Based on the results of the analysis of perception data on respondents' responses to the Strategy Policy variable using SPSS 25, it shows that the average Strategy Policy variable data has an average score of 4.12, which is in the very good/very agree category. This shows that in general respondents perceive Strategy Policy very well. As for the respondent's perception in perceiving the Strategy Policy, the highest was in the SP3 statement namely "The company seeks to implement policies in completing joint tasks"; with an average score of 4.19. While the lowest average score perceived by respondents is in the SP6 statement, namely "Work units or work units carry out tasks in accordance with company policy quality standards"; with an average score of 4.06.

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Based on the results of the analysis of perception data on respondents' responses to the Strategy Planning and Budgeting variable using SPSS 25, it shows that the average Strategy Planning and Budgeting variable data has an average score of 4.23, which is in the very good/very agree category. This shows that in general respondents perceive Strategy Planning and Budgeting very well. The respondent's perception of Strategy Planning and Budgeting is the highest in the SPB8 statement, namely "To achieve optimal results a company requires cohesiveness in working as a team"; with an average of 4.38. While the lowest average score perceived by respondents is in the SPB3 statement, namely "To be able to work well, companies need budgetary support as needed"; with an average score of 4.07.

Based on the results of data analysis on the perception of respondents' responses to the Good Corporate Governance variable using SPSS 25, it shows that the average Good Corporate Governance variable data has an average score of 4.21, which is in the very good/agree to agree category. This shows that in general respondents perceive good corporate governance well. As for the perception of respondents in perceiving the highest Good Corporate Governance is in the GCG2 statement, namely "Employees can carry out their duties and responsibilities, the company adheres to the agreed ethics and behavior"; with an average score of 4.31. While the lowest average score perceived by respondents is the GCG9 statement, namely "The company makes financial reports fairly"; with an average score of 4.13.

Based on the results of the data analysis on the perception of respondents' responses to the Corporate Social Responsibility Effectiveness variable using SPSS 25, it shows that the average Corporate Social Responsibility Effectiveness variable data has an average score of 4.20, which is in the very good/very agree category. This shows that in general respondents perceive the effectiveness of Corporate Social Responsibility very well. The respondent's perception of the highest effectiveness of Corporate Social Responsibility is the CSR8 statement, namely "Employees are not considered as company assets, but as part of society who have responsibility for their environment"; with an average score of 4.31. While the lowest average score perceived by respondents is the CSR1 statement, namely "The company carries out activities related to giving donations"; with an average score of 4.06.

In this study, researchers conducted two kinds of validity and reliability tests of research instruments. Testing the validity and reliability of the first stage was carried out using SPSS software version 25 as an initial step to find out and determine which indicators could be included for the second stage of testing with LISREL 8.80 software. The results of testing the validity of the question items on the questionnaire for each variable with a Corrected Item Total Correlation value or a value of r > 0.3 (Sugiyono, 2006) or r > 0.2 (Nisfiannoor, 2013). If the value of r > 0.3, this means that the statement item/indicator is valid.

Below, we will describe the hypothesis testing in more detail on each of the hypotheses previously proposed, as follows:

1. Hypothesis 1: There is a positive and significant effect of Strategy Policy on the Effectiveness of Corporate Social Responsibility. Based on the results obtained, it is known that the Strategy Policy has a direct effect on the Effectiveness of Corporate Social Responsibility with a t-value of 3.73 (t-value > 1.96), which means that hypothesis 1 is accepted. The effect of Strategy Policy on the Effectiveness of Corporate Social Responsibility is 0.31.

2. Hypothesis 2: There is a positive and significant effect of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility. Based on the results obtained, it is known that Strategy Planning and Budgeting has a direct effect on the Effectiveness of Corporate Social Responsibility with a t-value of 3.50 (t-value> 1.96), which means that hypothesis 2 is accepted. The influence of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility is 0.26.

3. Hypothesis 3: There is a positive and significant effect of Strategy Policy on Good Corporate Governance. Based on the results obtained, it is known that Strategy Policy has a direct effect on Good Corporate Governance with a t-value of 5.77 (t-value> 1.96), which means that hypothesis 3 is accepted. The partial effect of Strategy Policy on Good Corporate Governance is 0.57.

4. Hypothesis 4: There is a positive and significant effect of Strategy Planning and Budgeting on Good Corporate Governance. Based on the results obtained, it is known that Strategy Planning and Budgeting has a direct effect on Good Corporate Governance with a t-value of 3.57 (t-value> 1.96), which means that hypothesis 4 is accepted. The partial influence of Strategy Planning and Budgeting on Good Corporate Governance is 0.33.

5. Hypothesis 5: There is a positive and significant effect of Good Corporate Governance on the Effectiveness of Corporate Social Responsibility. Based on the results obtained, it is known that Good Corporate Governance has a direct effect on the Effectiveness of Corporate Social Responsibility with a t-value of 4.97 (t-value> 1.96), which means that hypothesis 5 is accepted.

6. Hypothesis 6: There is a positive and significant effect of Strategy Policy on the Effectiveness of Corporate Social Responsibility mediated by Good Corporate Governance. Based on the results obtained, it is known that the indirect effect of Strategy Policy

on the Effectiveness of Corporate Social Responsibility through Good Corporate Governance is 0.25 and the t-value is 3.97 (t-value> 1.96) which means that hypothesis 6 is accepted.

7. Hypothesis 7: There is a positive and significant effect of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility mediated by Good Corporate Governance. Based on the results obtained, it is known that the indirect effect of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility through Good Corporate Governance is 0.14 and the t-value is 3.08 (t-value> 1.96) which means that hypothesis 7 is accepted.

1.4. DISCUSSION

The general results of this study are that there is an influence of strategy policy and strategy planning and budgeting on the effectiveness of corporate social responsibility mediated by good corporate governance, and all of the seven hypotheses proposed have been proven to be accepted. Good Corporate Governance plays a very important role as a mediation in improving Strategy Policy and Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility.

Based on the research objectives, the results of hypothesis testing and the discussion in the previous chapter, it can be concluded in detail some of the research results as follows:

1. There is a positive and significant effect of Strategy Policy on the Effectiveness of Corporate Social Responsibility. This shows that in a positive, significant increase in Strategy Policy on the dominant dimension, namely the team orientation dimension, will result in an increase in the effectiveness of Corporate Social Responsibility. The results of this study indicate that for the successful implementation of Corporate Social Responsibility, strategic policies must be prioritized. Strategic policies must apply in two directions between the company and the government. One of the rules regarding Corporate Social Responsibility in Indonesia is Law Number 40 of 2007 concerning Limited Liability Companies (PT). This law defines CSR as social and environmental responsibility. Now the average company uses its own name for Corporate Social Responsibility. There are many meanings for each company regarding Corporate Social Responsibility, so the government should make a Perpu on the implementation of Corporate Social Responsibility. Especially with the existence of the Job Creation Law which opened investment faucets, the community must get their rights and companies must be responsible for implementing Corporate Social Responsibility.

   The central government is obliged to collaborate with regional governments, both provincial and district. For the Land of Papua there is a specificity regulated by Law number 21 of 2001 concerning Special Autonomy. So it should be the company together with the local government which includes the MRP to design Corporate Social Responsibility activities that are right on target and effective in improving welfare. Corporate Social Responsibility activities must consider local wisdom. The Papuan People's Council is right to act as the party overseeing the implementation of Corporate Social Responsibility in the Land of Papua. With the existing authority, it is expected that the Papuan People's Assembly can supervise the implementation of Corporate Social Responsibility which is in favor of indigenous Papuans and prioritizes the participation and involvement of indigenous Papuans in the implementation of Corporate Social Responsibility.

2. There is a positive and significant positive and significant Strategy Planning and Budgeting influence on the Effectiveness of Corporate Social Responsibility. This shows that a significantly positive increase in Strategy Planning and Budgeting in the dominant dimension, namely the dimensions of performance review will result in an increase in the effectiveness of Corporate Social Responsibility. The running of Corporate Social Responsibility should be supported by directed and adequate planning and budgeting from the company. Some companies have not optimally budgeted for Corporate Social Responsibility activities on the grounds that they have not yet made a profit from the production process. This is of course very sad, for that the central government must immediately make regulations governing the provisions that Corporate Social Responsibility is carried out simultaneously with the production process of a company. The company is required to carry out accountability by conveying to the public the Strategy Planning and Budgeting Corporate Social Responsibility plan for the company in question. This is important so that there are no overlapping activities between the company and the government, both regional and central. Sometimes the central government, through the relevant ministries, carries out activities similar to the Corporate Social Responsibility agenda in a mining area, so that the community becomes bored and eventually becomes complacent with activity after activity without a main concept that aims to create self-reliance for the community. This independence is very important so that when the company has left, the community will be economically independent.

3. There is a positive and significant effect of Strategy Policy on Good Corporate Governance. This shows that a significantly positive increase in Strategy Policy on the dominant dimension, namely the team orientation dimension, will result in an increase in Good Corporate Governance. Strategic policies must be supported by excellent company operations. The

strategic policy must be three-way between the company, government and indigenous peoples around the mine. Corporate Social Responsibility must be carried out with the results of the agreement between the three pillars referred to. The implementation of good corporate governance has become a central issue in supporting economic recovery, especially after the Covid-19 pandemic. Along with economic growth and development, companies are required to be able to balance it, it is necessary to have a proper management system and managerial control at the company, especially those related to the implementation of Corporate Social Responsibility. With the existence of good corporate governance, it is hoped that it will have a positive impact, both directly and indirectly on the implementation of Corporate Social Responsibility in improving the welfare of the community in mining areas.

4. There is a positive and significant effect of Strategy Planning and Budgeting on Good Corporate Governance. This shows that a positive significant increase in Strategy Planning and Budgeting on the dominant dimension, namely performance review, will result in an increase in Good Corporate Governance. There is the influence of financial policy which is projected to use leverage, capital intensity and inventory intensity and Good Corporate Governance which is projected to use institutional ownership, independent board of commissioners, audit committee and audit quality. Based on the results of research data analysis and discussion, it can be concluded that Strategy Planning and Budgeting has an effect on Good Corporate Governance. The success of implementing Corporate Social Responsibility must be balanced with Strategy Planning and Budgeting that is in accordance with the characteristics of the area in question.

5. There is a positive and significant effect of Good Corporate Governance on the Effectiveness of Corporate Social Responsibility. This shows that a positive significant increase in Good Corporate Governance on the dominant dimension, namely the dimension of fairness, will result in an increase in the effectiveness of Corporate Social Responsibility. The phenomenon that is currently developing shows that good Good Corporate Governance will result in good Corporate Social Responsibility implementation as well. Bad Corporate Governance will have a negative impact on the implementation of Corporate Social Responsibility. The company is charged with the responsibility to participate in making changes to the new order of life in the economic and socio-cultural fields. This tendency continues to be a major change agenda for society and raises various opinions in the social system, which expects and provides opportunities for realizing sustainable shared prosperity. Sustainable development through Corporate Social Responsibility requires a harmonious relationship between relevant stakeholders, namely companies, government and society. Companies as the main stakeholders in the implementation of Corporate Social Responsibility play a strategic role in the economic system both locally, nationally and at the global level, because of the potential in terms of capital and human resources for this reason, the implementation of Good Corporate Governance must be a company benchmark in participation in Corporate Social Responsibility activities. One of the manifestations of the company's active participation in sustainable development is by developing a concern program for the surrounding community through the effectiveness of Corporate Social Responsibility (CSR).

6. There is a positive and significant effect of Strategy Policy on the Effectiveness of Corporate Social Responsibility mediated by Good Corporate Governance. This shows that positively and significantly improving the effectiveness of Good Corporate Governance on the dominant dimension, namely the fairness dimension will result in increasing the influence of Strategy Policy on the Effectiveness of Corporate Social Responsibility and the results of this study are new compared to the results of previous studies which can increase the effect of Strategy Policy on Effectiveness Corporate Social Responsibility. : Corporate Social Responsibility activities are of course in direct contact with the community. Companies are required to create a positive impact on the environment and society. One strategy that can be implemented is the Effectiveness of Corporate Social Responsibility for the welfare of society. The Strategy Policy aims to reveal the Effectiveness of Corporate Social Responsibility and also evaluate the implementation process. The main problem that occurs is that there are excessive expectations from some communities in each program. For this reason, the Strategy Policy for the Effectiveness of Corporate Social Responsibility must be prepared together with the community around the mine. Companies are required to implement Good Corporate Governance to increase the effectiveness of Corporate Social Responsibility while continuing to communicate with the public and hold discussions with key stakeholders for the future development of Corporate Social Responsibility.

7. There is a positive and significant effect of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility mediated by Good Corporate Governance. This shows that positively significant improvement in the effectiveness of Good Corporate Governance on the dominant dimension, namely the fairness dimension will result in an increase in the effect of Strategy Planning and Budgeting on the Effectiveness of Corporate Social Responsibility and the results of this study are new compared to the results of previous studies which can increase the influence of Strategy

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Planning and Budgeting on the Effectiveness of Corporate Social Responsibility. Many companies in Indonesia still think that providing social responsibility is something that can reduce company revenue. There are also those who complain to the government that they have not been able to carry out Corporate Social Responsibility because they have not yet made a profit. Of course this is very ironic because Corporate Social Responsibility is the responsibility of the company and is a logical consequence of a company in carrying out its business activities. Both small companies and large companies sometimes think that they have no interest in Corporate Social Responsibility activities, even though basically Corporate Social Responsibility is the right of the community around mining and of course it is the company's obligation. Corporate Social Responsibility, if it is well managed, no matter how small the nominal, it can produce enough things to meet the social needs around the company. So for that we need Strategy Planning and Budgeting for the Effectiveness of Corporate Social Responsibility mediated by Good Corporate Governance. Companies in planning or implementing Corporate Social Responsibility programs certainly need a budget for the implementation of Corporate Social Responsibility programs. So the company is obliged to develop a systematic Corporate Social Responsibility budget plan that aims to improve the welfare of the community. The budget preparation process is the second stage after the planning process. The company's overall planning is carried out through stages, program preparation and determination of Corporate Social Responsibility goals and preparation of the Corporate Social Responsibility budget. Many companies are successful because of Strategy Planning and Budgeting for the Effectiveness of Corporate Social Responsibility. This means that the success of companies can also be seen from how a company manages its budget and accountability for social responsibility towards the company's operational area, so as to create good relations with the surrounding community. Corporate Social Responsibility (CSR) is a program that requires a sizable budget, for this reason the government should make clear legal rules for the implementation of Corporate Social Responsibility.

1.5. CONCLUSION

The results of this study found that there is a positive influence of Strategy Policy and Strategy Planning and Budgeting on Good Corporate Governance and has implications for the Effectiveness of Corporate Social Responsibility, which can be described as follows:

a. The Central Government is expected to play an active role in implementing policies related to the affirmation policy for indigenous Papuans working at the Tangguh Bintuni LNG in West Papua. The involvement of the West Papua Provincial Government, Regency Government and the West Papua People's Assembly as well as the West Papua People's Representative Council is expected to be more intense considering that the results of the LNG Tangguh mining should be able to alleviate poverty in the Tangguh Bintuni LNG mining area in West Papua.

b. The company is obliged to be responsible for providing budget funds for the implementation of CSR in the Tangguh Bintuni LNG mining area, West Papua. CSR should prioritize the participation of indigenous Papuans in every Tangguh Bintuni West Papua LNG CSR program.

c. Implementation of effective corporate governance in the context of implementing Corporate Social Responsibility in the Land of Papua in order to avoid the negative excesses of the traditional Papuan community regarding investment as described earlier in the background section, the Company and the Government need to involve the Papuan people's representative institution, namely the Papuan People's Council.

d. Companies should also open up access to empower workers from indigenous Papuans, especially those in the Tangguh Bintuni LNG mining area, West Papua. For the effectiveness of Corporate Social Responsibility, it is best if the head office of the related company is built in the capital of the province where the company operates, namely the LNG Tangguh is built in Manokwari as the capital of West Papua Province. This is intended so that companies in carrying out their activities are not hampered by efforts to coordinate with the company's head office related to the interests of the community, especially those related to the implementation of Corporate Social Responsibility.

e. The President was asked to immediately issue a PERPU for the implementation of Corporate Social Responsibility in Indonesia, bearing in mind that the previous Corporate Social Responsibility regulations were partial and very ego-sectoral, thus confusing companies in implementing Corporate Social Responsibility in their respective mining areas. Especially now that investment is being encouraged in Indonesia with the issuance of Law Number 2 of 2022 Concerning Job Creation, it is time for the President to issue a PERPU for the implementation of Corporate Social Responsibility in Indonesia. The six (6) legal rules governing Corporate Social Responsibility are:

1) Law No. 40 of 2007 concerning Limited Liability Companies

2) Government No. 47 of 2017 concerning Social and Environmental Responsibility of Limited Liability Companies
3) Law No. 25 of 2007 concerning Investment
4) Law No. 32 of 2009 concerning Environmental Protection and Management
5) Regulation of the Minister of State for State Owned Enterprises No. PER-05/MBU/2007 of 2007 concerning the Partnership Program for State-Owned Enterprises with Small Businesses and the Community Development Program, as last amended by Regulation of the Minister of State-Owned Enterprises No. PER-08/MBU/2013 of 2013 concerning the Fourth Amendment to the Regulation of the Minister of State for State-Owned Enterprises No. PER-05/MBU/2007 Concerning the Partnership Program for State-Owned Enterprises with Small Businesses and Community Development Programs, Law No. 22 of 2001 concerning Oil and Gas.
6) The implementation of Corporate Social Responsibility in the Land of Papua must involve the Papuan People's Assembly, the Papuan Traditional Council and the Tribal Tribe Traditional Institutions located in mining areas. This is of course intended so that the implementation of Corporate Social Responsibility is in accordance with the local wisdom of the local indigenous people. The Papuan People's Council needs to be specifically involved in supervising the implementation of Corporate Social Responsibility in the Land of Papua.
7) The central government needs to change the paradigm of thinking about investment in the Land of Papua. That if there is rejection from the Papuan people it is not solely due to the issue of disintegration, not because of the movement of the Free Papua Organization group but the people feel traumatized by company policies supported by the New Order government which are very detrimental to the Papuan people. It's not the prosperity that has been achieved, but human rights violations and the pain that is felt to become poor because of the abundance of natural resources in the Land of Papua. For this reason, by looking at the conditions in the implementation of Corporate Social Responsibility which sometimes leave behind the essence of local wisdom and the involvement of indigenous Papuans in Corporate Social Responsibility planning, supervision over the implementation of Corporate Social Responsibility should actually be given to the Papuan People's Assembly according to their respective customary territories.
8) The mining industry is often questioned as the party responsible for causing negative impacts, such as environmental damage and human rights violations. Based on this paradigm, the global mining community has made various efforts to improve its negative image as a cause of environmental damage through improving the implementation of Corporate Social Responsibility programs. However, the existence of Corporate Social Responsibility made by a number of companies engaged in the mining industry is still a matter of debate. The long debate about the position of CSR relates to, among other things, whether CSR is a corporate moral responsibility that is not mandatory (volunteer) or a legal responsibility that is mandatory (mandatory). For this reason, the government is obliged to provide punishment to companies if they ignore the implementation of Corporate Social Responsibility. Even if it does not carry out Corporate Social Responsibility, it is better if the company's operational permit is revoked.

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11. Indigenous Peoples in the Land of Papua, especially Indigenous Peoples around the LNG Tangguh Mining Site.
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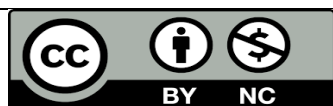
At the end of these words, I hope this research journal can provide blessings and benefits for all interested parties, as well as provide opportunities for further research.

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