

# Optimization of Corporate Social Responsibility and Synergy with Government Policies in Overcoming Poverty

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## Abstract

*The research aims to examine the optimization of corporate social responsibility (CSR) and synergy with government policies in overcoming poverty in to realize justice. CSR is a form of accountability to society or society by a corporation or company. This accountability can be related to poverty alleviation, especially residents around the company who are directly affected by the company's activities that can be aligned with government programs. The problem that will be in this study is how to optimize corporate social responsibility and synergy with government policies in overcoming poverty to realize justice. The research method used is a normative research method related to CSR in the context of poverty alleviation by corporations and government using the statute approach and case approach and analyzed using content analysis.*

**Keywords:** Optimization, Corporate Social Responsibility, Government Policy, Poverty.

## INTRODUCTION

Poverty is a complex problem that affects many communities around the world, including around companies. Companies often operate in areas that are also inhabited by poor people, and the impact can be felt directly by both parties. Poverty is a complex problem that affects many communities around the world, including around companies. Companies often operate in areas that are also inhabited by poor people, and the impact can be felt directly by both parties. Factors Causing Poverty Around Companies include a lack of regulation and the implementation of effective policies that can lead to misuse of resources and unfair economic distribution. Community participation in decision-making and development planning is often neglected, leading to a lack of attention to the needs and aspirations of the poor. Poor infrastructure and lack of access to quality education hinder economic and social opportunities for the communities around the company. Poverty is one of the serious challenges faced by people in many countries, including around large corporations. Poverty not only impacts the lives of individuals and families but also social and economic development as a whole. To overcome this problem, companies have social responsibility that needs to be optimized through Corporate Social Responsibility (CSR), and synergy between companies and the government is an important key in efforts to realize social justice and reduce poverty. The poverty of the community around the company is a challenge that requires serious attention and real action. The company has a social responsibility to help address this issue through sustainable CSR policies and synergies with the surrounding community. By engaging communities, prioritizing their well-being, and implementing sustainable business practices, companies can contribute to poverty reduction and create a sustainable positive impact in the wider community. All parties, including companies, governments, and communities, must work together to achieve social justice and uplift the quality of life of the communities around the company.

Every company is established to get maximum profits. Therefore, to generate profits, the Company always tries to find opportunities and opportunities to do something that can provide added value. This can happen because in general, companies continue to apply capitalist principles in carrying out their activities, namely achieving the greatest profit with the minimum possible cost by legalizing all means. This can have negative impacts such as damaging the environment that is difficult to control, such as air pollution, noise pollution, soil pollution, water pollution, poisoning, exploitation of natural resources, discrimination, arbitrariness, illegal food products, and consumer fraud. The negative impact is so great in people's lives, therefore it is natural for people to want this

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negative impact to be controlled so that the negative impact does not increase. These negative impacts can cause social costs. The main purpose of establishing a company is to make a profit. Financial benefits are the main motivation for entrepreneurs to start a business. The establishment of a company provides an opportunity to develop a business model that generates significant revenue. These profits can be used to expand the business, reinvest in the company, or meet personal needs and ambitions.

In addition to financial benefits, the establishment of the company also aims to create jobs. Successful companies can provide jobs to the community, help reduce the unemployment rate, and improve economic well-being. Creating job opportunities is an important contribution to economic growth and social development. Another goal is innovation and development of new products or services. In an ever-evolving world, companies can be catalysts in creating new solutions, delivering better products, or providing innovative services. Many entrepreneurs start companies to achieve social change, getting involved in charitable causes, or supporting environmental issues. In this case, the purpose of establishing a company goes beyond personal gain and focuses on the positive contribution that the company can make to society and the environment. In addition, the establishment of a company can also be a means for self-development and personal achievement. Many entrepreneurs have aspirations to test their skills, leadership, and creativity. The establishment of a company provides an opportunity to take on new challenges, broaden horizons, and achieve personal success. Overall, the company's founding goals include generating financial gains, creating jobs, encouraging innovation and product development, realizing a broader vision and mission, and self-development. In developing a company, it is important to have a clear understanding of these goals to guide decision-making and achieve the desired success.

The company has a significant role in the surrounding society. They are not only responsible for making profits but also for making a positive impact and contributing to the communities in which they operate. Here are some of the company's roles for the surrounding community, including creating jobs for the surrounding community. By providing jobs, companies help reduce the unemployment rate, increase individual income, and drive economic growth in the community. Companies can also play a role in infrastructure development in their surrounding areas. Through investment and involvement in infrastructure projects, such as roads, bridges, or public facilities, companies can improve accessibility and economic progress in society. Companies that operate successfully also contribute to the country's revenue through tax payments. This tax revenue can be used by the government to finance development projects, public services, and social programs that benefit society as a whole. When a company has managed to make significant profits from its efforts, the company needs to give back to the surrounding community by alleviating poverty. CSR is one way for the company to contribute positively to the surrounding community and help overcome the problem of poverty. Here are some reasons why companies should play an active role in poverty alleviation through CSR programs:

**Corporate Social Responsibility:** As an entity that operates in society, companies have a social responsibility to contribute to the well-being of the surrounding communities. Poverty alleviation is one of the real ways to fulfill this social responsibility.

**Positive Impact on Corporate Reputation:** Companies that are actively involved in CSR, especially in alleviating poverty, will build a positive image in the eyes of the public, consumers, and other stakeholders. This can improve the company's image and strengthen its position in the market.

**Improving the Quality of Life of the Community:** CSR programs that focus on poverty alleviation can have a direct impact on the quality of life of the surrounding community. This includes providing access to better education, health, and jobs.

**Contributing to Sustainable Development:** Alleviating poverty around companies will contribute to sustainable development at the local and national levels. A more prosperous society will have the potential to participate more actively in the economic and social development process.

In the implementation of CSR programs to alleviate poverty, it is important for companies to actively involve local communities in the planning and implementation process. This participatory approach will ensure that the programs run are by the real needs of the community and have a significant impact. In addition, companies can

also work with governments, non-profit organizations, and other partners to strengthen poverty alleviation efforts together. Collaboration like this can optimize the use of resources and create synergies in achieving common goals. By prioritizing poverty alleviation through sustainable and positive impact CSR programs, companies can make a meaningful contribution to the surrounding communities and help create a fairer and more equitable world. The implementation of corporate CSR in overcoming poverty can work with the government to achieve more effective and sustainable results. This cooperation can provide benefits for both parties, maximize positive impacts, and ensure that existing resources are used efficiently. Based on the description above, the problem in this study is how to optimize corporate social responsibility and synergy with government policies in overcoming poverty to realize justice

## **METHODOLOGY**

The research method used is normative, using a statute approach related to the optimization of corporate social responsibility and synergy with government policies in overcoming poverty to realize justice. The statute approach is to examine matters related to legal principles, legal views and doctrines, and laws and regulations related to ideal social responsibility to overcome poverty, with accurate data and can be held accountable for the truth. In addition, an in-depth examination of the legal facts is also carried out to then try to solve the problems that arise in the symptoms concerned

## **RESULTS AND DISCUSSION**

### **Problems Related to Community Poverty Around the Company**

Poverty divergence around a company is a term that describes a phenomenon where there is inequality and disparity in the level of poverty in the region adjacent to the company. This means that even though the company makes huge profits and has access to abundant resources, most of the people surrounding the company still live in conditions of extreme poverty. This phenomenon often occurs in developing countries or the context of extractive industries such as mining or large plantations. To overcome the poverty divergence around companies, collaborative efforts are needed between companies, governments, and local communities. Companies should improve their social and environmental responsibility practices, including paying decent wages and engaging local communities in decision-making related to company activities. The government must create regulations that support and encourage benefits for local communities from corporate activities. In addition, the government must supervise and oversee the implementation of policies to ensure that local communities get fair opportunities and benefits from the company's activities. The active involvement and participation of local communities are also important to ensure justice and equality in the region's economic development.

Problems related to poverty in the community around the company are a very complex issue and need serious attention. Poverty is a global problem that affects various aspects of human life, and companies have an important role to play in influencing this situation. In this essay, we will discuss some of the key issues related to poverty around companies and possible solutions that can be implemented. One of the main problems faced by the community around the company is the significant economic gap. In many cases, large companies operating in poor areas tend to get more profits and abundant resources, while the communities around the companies are often marginalized and do not get the same opportunities to access economic opportunities. This can be due to the large wage gap between employees in companies and workers in the informal sector, as well as a lack of training and access to capital for local people to start their businesses. In addition, unsustainable and environmentally damaging company activities can also lead to poverty around them. Activities such as mining, deforestation, or industrial waste can damage natural resources and disrupt people's traditional livelihoods, such as agriculture and fisheries. As a result, people's income and quality of life can decrease drastically. In addition, social problems can also arise when large companies come to poor areas. Massive migration from other regions to work in companies could lead to a surge in population and pressure on infrastructure and public services such as health and education. In addition, cultural and value mismatches between local communities and migrant workers can lead to social tensions and conflicts. The government can also be part of the problem, especially when there is weak regulation and supervision of company activities. Lack of oversight can lead to exploitative practices by companies, such as low wages or unsafe work environments, which in turn exacerbate the

surrounding poverty conditions. Poverty around companies is a complex problem and requires cooperation between governments, companies, and society. With the right measures, we can achieve a better balance between economic development and the welfare of the local community. Several reasons can cause the community around the company to become less prosperous, including that when large companies operate in poor areas, there is often an expectation that there will be job opportunities available to the local community. However, in many cases, companies prefer to import labor from outside rather than recruit from local communities. As a result, the unemployment rate in the area remains high, and local people find it difficult to obtain decent work. Some companies may offer low wages to local workers, especially in job sectors with few skill requirements. These low wages keep local people living below the poverty line, even if they work full-time.

In some cases, the community surrounding the company may not have the necessary skills or education to meet the requirements of the job offered by the company. This could result in their inability to compete in an increasingly competitive labor market. For those seeking to open a small or micro business, access to capital is often a major obstacle. The lack of financial support makes it difficult for local people to start or develop their businesses, which can be an alternative to earning income and improving welfare. Corporate activities that damage the environment can affect natural resources and the traditional livelihoods of local communities such as agriculture, fisheries, or forestry. Negative environmental impacts can lead to a decrease in income and difficulties in meeting daily needs. The arrival of large corporations in poor areas often leads to social conflicts between local communities and companies or between local communities and migrant workers. These conflicts can disrupt stability and hinder economic and social development in the area. In some cases, the society around a company becomes too dependent on one particular company or sector of the economy. When the company experiences difficulties or reduces its operations, the local economy will also be negatively affected. It is important to understand that the problems of poverty and the well-being of the communities around companies are usually complex and influenced by a variety of interrelated factors. The solution to this problem requires a holistic approach and involves the active participation of the government, companies, and local communities. Ongoing collaborative efforts to empower local communities and improve economic and social conditions are key to improving their well-being.

### **Optimizing Corporate Social Responsibility and Synergy with Government Policies in Overcoming Poverty in the Context of Realizing Justice**

Poverty is a serious problem faced by many countries around the world. Despite efforts by the government and non-profit organizations, poverty rates remain high, and economic disparities continue to grow. To realize social justice, the role of companies in the form of CSR and synergy with government policies is becoming increasingly important in overcoming the challenge of poverty. CSR is a business approach that integrates social, environmental, and economic considerations into a company's operational activities. This principle emphasizes the responsibility of companies to contribute positively to society and the environment in which they operate. To overcome poverty, companies with optimal CSR implementation can play a role as an agent of significant social change. Their support can have a positive impact on society and reduce economic disparities. Many companies have practiced effective CSR as part of their responsibility to society. Some examples of CSR practices that can help overcome poverty include:

**Economic Empowerment:** Helping local communities to develop skills through job training, providing access to venture capital, or supporting community cooperatives, so that they can increase their income and reduce poverty levels.

**Education and Skills:** Supports education and training programs for disadvantaged children and adults, providing access to knowledge and skills that will enhance employment opportunities and social mobility.

**Health Services:** Contribute to health infrastructure, provide access to basic medical services, and provide preventive health programs to communities in need.

**Environmental Protection:** Conduct environmentally friendly business practices to ensure the sustainability of natural resources, so that the livelihoods of people who depend on the environment can be maintained.

Optimizing corporate CSR will only have a real impact if there is synergy between CSR practices and progressive government policies. The government has a leading role in providing a conducive environment and supporting companies' efforts to overcome poverty. Some of how synergy can be achieved between companies and the government include the government creating regulations that support and encourage companies to participate in CSR programs, including providing incentives for companies that are active in efforts to reduce poverty. Governments can play a role in providing the necessary infrastructure to support CSR programs, such as access to education and health services, as well as ensuring the sustainability of natural resources needed for the implementation of CSR programs. Governments can facilitate collaboration between companies, non-profit organizations, and local communities to create sustainable and effective partnerships in addressing poverty. With the synergy between CSR and government policies, efforts to overcome poverty can be more effective and sustainable. Some of the benefits of this synergy are that by working together, companies and governments can create a greater impact in overcoming poverty and reducing economic inequality. Synergy makes it possible to utilize existing resources more efficiently, avoiding overlapping and duplicating similar programs.

With continuous collaboration, the programs and initiatives launched can last longer and provide more sustainable results for people in need. Tackling poverty and achieving social justice is a shared task for companies and governments. By optimizing CSR and synergizing with government policies, we can bring real change in overcoming poverty and creating a more equitable and sustainable society. With strong collaboration and commitment, we can realize the dream of a better and more equitable world for all. Companies and the government have a crucial role in the welfare of the community around the company because they are directly affected by the company's activities. To achieve the welfare of the community, partnerships between companies and governments are essential. Here are some reasons why companies and governments should work together to prosper the communities around them: Companies have a significant economic impact in the areas where they operate. They create jobs that reduce the unemployment rate and increase the income of the local community. By providing jobs and salaries accordingly, companies can help reduce poverty rates and improve people's living standards. In addition, CSR practices can increase the positive impact on the local community. By investing a portion of their profits in social programs and community development, companies can contribute to the economic and social empowerment of the communities around them. CSR programs that focus on education, health, and infrastructure can provide better access and opportunities for local communities.

The government has the primary responsibility to protect the interests of the community. They must create fair regulations and ensure companies adhere to decent work standards, including decent wages and a safe work environment. Thus, the government can ensure that the community around the company is not exploited and benefits from the company's activities. The government must also ensure that economic development policies focus on empowering local communities. Investments in infrastructure, education, and skills training will help communities increase capacity and contribute to sustainable economic growth. A solid partnership between the company and the government is essential to achieve the goal of prospering the community around the company. By collaborating, the two can develop CSR programs that are relevant to local needs and support government policies that aim to reduce poverty. Companies can work closely with governments to identify critical problems in society and create effective solutions. Meanwhile, the government can provide support and incentives for companies that play an active role in efforts to improve the welfare of the community. Prospering the community around the company is a shared responsibility of the company and the government. By providing jobs, and decent salaries, and through corporate social responsibility programs, companies can act as agents of positive change. Meanwhile, the government must create an environment that supports and protects the interests of the community so that they can benefit from the company's activities. Through synergy and cooperation, we can achieve more inclusive and equitable welfare for the entire community.

## CONCLUSION

Based on the description above, related to the optimization of Corporate Social Responsibility and synergy with government policies in overcoming poverty, is the importance of collaboration between the private and public sectors in achieving the goal of more equitable and inclusive social development. In facing the challenge of poverty, the company has a social responsibility to have a positive impact on the surrounding community through CSR programs. Investments in education, health, employment, and the environment are concrete steps that can help reduce poverty and improve people's quality of life. Collaboration between companies and the government is important to optimize poverty alleviation efforts. Companies can collaborate in planning and implementing CSR programs that are by government policies and programs, to achieve a wider and sustainable impact. Optimization of CSR by companies and synergy with government policies is an effective approach to overcoming poverty and realizing social justice. Through active and coordinated collaboration, the community around the company can feel a sustainable positive impact and the society as a whole will achieve a higher level of well-being. All parties, both companies, governments, and communities, must jointly contribute to creating a fairer and more equitable environment for all citizens. To overcome the poverty divergence around companies, collaborative efforts are needed between companies, governments, and local communities. Companies should improve their social and environmental responsibility practices, including paying decent wages and engaging local communities in decision-making related to company activities. The government must create regulations that support and encourage benefits for local communities from corporate activities.

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