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Inter-Sector Collaboration in Implementation Poverty Alleviation Program Through Corporate Social Responsibility in Indonesia

Ashari Salam[1] dan Muh Ridwan B[2]

[1]*The Australian National University, Australia*

[2]*Universitas Airlangga, Surabaya, Indonesia*

Email: azhari.salam@bpkp.go.id

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Abstract

To effectively align corporate social responsibility (CSR) with poverty reduction agendas, companies need to be more inclusive and collaborative with other actors. Cross-sector partnerships in CSR implementation have emerged as a new approach and practice, as promoted by public administration scholars. Key actors in partnerships may come from government, civil society represented by non-governmental organizations (NGOs), and corporations. However, designing successful and effective partnerships that are relevant to cross-sector dynamics and political contexts has proven to be a challenge, especially in developing countries and new democracies, such as Indonesia. This paper provides the main characteristics of effective cross-sector partnerships derived from examining three case studies in Indonesia and Tanzania. Both represent cross-sector partnerships with varying scope and depth. In this paper, one can observe and extract the main characteristics of effective partnerships based on the three case studies, each with its described model. In particular, the characteristics used to assess the effectiveness of the model include ownership, alignment and synchronization, accountability, reduced dependency, resource sharing, along with representation and legitimacy.

Keyword: *socially responsible enterprise; cross-sector partnerships; poverty reduction*

1. Introduction

Many transnational corporations (TNCs) operate in Indonesia, and several giant TNCs such as ExxonMobil, Total, Chevron, ConocoPhillips, British Petroleum, Newmont, and Freeport have a strong presence in the country. As shown in Table 1, Indonesia ranks in the top 20 in four important natural resources among countries. Ross (2006) identified Indonesia as the thirtieth country in oil dependence, indicating the importance of oil extraction as a significant source of income for the country. In a report for Oxfam America examining the relationship between extractive industries and poverty worldwide, Ross found a paradoxical fact.

On the one hand, TNCs generate huge profits through resource extraction. But on the other hand, they create negative externalities that harm the host country in various social and environmental aspects. There have been chronic disaster impacts in the form of increasing poverty levels and high rates of malnutrition in children.

Countries that depend on oil and minerals often suffer from a variety of social problems. These include low health care spending, low primary and secondary school enrollment, low adult literacy rates, and high income inequality. Moreover, these countries tend to face other serious problems. High levels of corruption are common. Military spending is often excessive. Governments tend to be authoritarian, and government effectiveness is generally low (Ross 2001, pp. 6-9). Indonesia, in many ways, is no exception to this phenomenon. It also experiences many of the same challenges that resource-rich countries face but the paradox of poverty.

Table 1. Natural Resources in Indonesia

Types of Natural Resources	World Ranking	Year
Coal	4	2021
Gold	7	2020
Natural gas	13	2021
Oil	23	2022

Source: International Energy Agency (2022) and US Energy Information Administration (2022).

For more than three decades, with the support of the Soeharto regime (1966-1998), transnational corporations (TNCs) were involved in various cases of environmental violations, human rights (Ballard, 2000), and corruption (Kemp, 2001). After Indonesia liberalized its extractive industry sector in 1967 to increase revenue (Robinson, 1987), some 45 years later, poverty remains a significant challenge in the country. The latest data from the Center for Welfare Studies shows that in 2020, more than 26 million Indonesians still live below the extreme poverty line (BPS, 2021). Extractive industry activities in remote areas often destroy local livelihoods without accelerating the local economy. These areas, described by Wirisudarmo (2000) as areas with less fertile soil conditions, high acidity, or consisting of alluvial clay and sandy materials, tend to be trapped in poverty. This has resulted in local residents having to rely on local natural resources such as subsistence agriculture, fisheries, forest products, and industrial minerals to meet their living needs. This situation is further exacerbated by the income distribution policy from the extractive industry sector, which is regulated by Law Number 33 of 2004 concerning Central-Regional Financial Balance.

This policy concentrates most of the profits in the central government, thus limiting the capacity of local governments to reduce poverty and promote local economic development. The global corporate social responsibility (CSR) movement provides hope for the positive role that the business sector can play in reducing poverty (Fox, 2002; Fox & Prescott, 2004; Knoringga 2008, 2010), as well as avoiding or redressing social harm caused by business operations (Simmon et al., 1976 in Idemudia, 2009). Although the definition of CSR continues to evolve, Nelson (2004) outlines three key features of CSR: beyond philanthropy to integration into the business mainstream, beyond community relations to accountability and stakeholder engagement, and beyond legal compliance to clarity of values and principles. Companies that implement CSR not only fulfill their obligations, but also proactively establish corporate values that are supported by internal policies and accountability systems. The increasing support for CSR opens up opportunities for companies to contribute to addressing social challenges in Indonesia, such as poverty and environmental damage, in a more structured and impactful way.

Table 2. Distribution of Revenue Between Central Government and Regional Government

Item	Central government	Local government
Mining	75%	25%
Oil	65%	35%
Natural gas	80%	20%

Source: National Development Planning Office (2022).

A large number of academics argue that effective CSR implementation is difficult to achieve in an environment with weak governance (Frynas, 2008). Calder and Culverwell (2005) argue that weak governance leads to increasing involvement of companies in human rights violations, bribery, and various fraudulent acts. Because of the bad history of multinational companies in Indonesia, some argue that voluntary CSR is not enough to ensure socially and environmentally responsible businesses, as in the United States and Europe (Garvey & Newell, 2005; Blowfield and Frynas, 2005).

The Indonesian government holds the view that mandatory CSR is more effective than voluntary CSR, as demonstrated when the House of Representatives passed Law Number 40 of 2007 concerning Limited Liability Companies (Rosser, Atje, & Edwin, 2008). Article 74, which has caused the most controversy, clearly states the CSR obligations for companies. Rosser and Edwin (2010) translated the points of Article 74 from the original Indonesian language as follows: 1) Limited liability companies that carry out activities in the natural resources sector or related to it are required to implement Corporate Social and Environmental Responsibility; 2) Such Corporate Social and Environmental Responsibility becomes an obligation that is budgeted and calculated as a company cost with implementation that takes into account suitability and propriety; 3) Limited liability companies that do not implement this obligation will be subject to sanctions in accordance with laws and regulations; 4) Further provisions will be regulated in Government Regulations."

The government believes that mandatory CSR will allow for better coordination and distribution of responsibilities among stakeholders. Many officials, including mayors and legislators, often voice concerns about overlapping programs. On the other hand, business people represented by the Indonesian Chamber of Commerce, academics, and politicians involved in business are skeptical of the law. They worry that the regulation will exacerbate corruption and harm the investment climate (Rosser & Edwin, 2010). Business groups managed to delay the issuance of implementing regulations for five years through their lobbying power. As a result, when the regulation was issued in June 2012, its contents were still unclear and did not provide clear implementation guidelines, creating loopholes that could be exploited for corruption. In addition, both Law 40/2007 and its implementing regulations failed to meet public expectations for effective CSR collaboration.

2. Theoretical Study

Cross-sector collaboration in the implementation of corporate social responsibility (CSR) has become a major approach in addressing complex social challenges, including poverty alleviation in developing countries such as Indonesia. CSR, defined as a company's voluntary contribution to social development beyond profit, can support poor communities through the provision of basic facilities, training, and health services (Frynas, 2008). However, for CSR initiatives to have a significant and sustainable impact, collaboration involving the government, private sector, and civil society is needed. This collaboration model, known as cross-sector collaboration, aims to synergize the strengths of each party in order to achieve inclusive and sustainable development goals (Bryson et al., 2006; Ansell & Gash, 2007).

In this context, inter-sectoral collaboration plays a critical role because governments often face limited resources to cover all social needs, while the private sector has sufficient resources but needs guidance to ensure that their CSR programs are aligned with the needs of local communities. Collaboration models such as public-private partnerships (PPP) and collective impact have been applied to maximize synergies between sectors. In the PPP model, for example, the public and private sectors share roles in building social infrastructure, while community organizations support its implementation at the community level (Idemudia, 2008). In the collective impact model, each sector is responsible for a specific part of the program, which is aligned through shared goals and ongoing communication (Torres-Rahman et al., 2018).

While this collaboration offers benefits, there are challenges that need to be overcome. The differences in objectives between the government, private sector, and community can create tensions in developing joint programs. Governments are usually oriented towards the public interest, while companies are often focused on profits, which can affect their commitment to long-term social impact (Gond, Matten, & Moon, 2021). Another challenge is the sustainability of the program, where CSR programs are often short-term and do not provide long-term benefits to the community if there is no sustainability planning. The trust factor is also a major obstacle, because the relationship between companies and local communities is still often colored by mistrust, especially in areas affected by the company's industrial activities (Googins & Rochlin, 2000).

3. Method

This study adopts a literature review method to identify analytical tools and examine three different CSR partnership cases. Through this approach, the author reviews various books, research reports, and journals from disciplines such as business, development studies, governance, and public policy. The author uses keywords such as "cross- sector partnerships," "collaborative governance," and "tri-sector partnerships" to select relevant sources. Most of the reviewed literature focuses on the theory and concept of partnerships, especially in collaborations between governments, NGOs, and corporations. In addition, this literature includes perspectives from developed countries with established democratic systems such as the United States as well as developing regions in Asia and Africa, which show different dynamics of CSR partnerships. The author also explores additional literature referred to in the reviewed studies, to broaden the understanding of the topic of cross-sector partnerships in CSR.

The outcome of this literature review is the development of an analytical framework to assess three case studies in Indonesia and Tanzania, selected because of the diversity of initiatives in their objectives, scope, level of collaboration, and partnership contexts. The authors describe the spectrum of partnerships in these studies as “minimalist” to “maximalist” collaborations, ranging from limited forms of cooperation to more intensive forms of collaboration. These cases include initiatives that are influenced by local conditions, where, for example, CSR collaboration in Indonesia is often determined by the role of central and local governments in resource governance leading to more limited forms of support. In Tanzania, local conditions that demand greater involvement of the private sector allow for deeper collaboration in economic development and social welfare.

The study concludes that the success of partnerships is highly dependent on the local context, the role of each actor, and the shared commitment to achieving common goals. This study is expected to contribute to the development of a more inclusive and adaptive CSR partnership concept to local needs in developing countries, as well as serve as a reference for more effective collaboration practices between the public, private and civil society sectors.

4. Result and Discussion

The first discussion focuses on Understanding the Framework of Cross-Sector Partnerships. Scholars in this field have defined the concept of cross-sector partnerships in various ways. Some refer to it as collaborative governance (Anshell & Gash, 2007), cross-sector collaboration (Bryson, Crosby, & Stone, 2006), cross-sector partnerships (Seitanaidi & Crane, 2009; Googins & Rochlin, 2000; Selsky & Parker, 2001), tri-sector partnerships (Warner & Sullivan, 2007), or social alliances (Waddock, 1988; Berger, Cunningham & Drumwright, 2004). In this paper, these terms are used interchangeably to discuss poverty alleviation initiatives through collaboration between businesses, governments (both host and donor), non-governmental organizations (NGOs), community-based organizations (CBOs), and communities.

This concept was chosen because it provides a higher level of involvement than the coalition or public-private partnership (PPP) model. Coalitions, especially in stakeholder relationships in the extractive industry, tend to be temporary, means-oriented, and have varying goals, with rarely shared resources and less valuable agreements (Gamson, 1961). Such coalitions can carry more risks than benefits. On the other hand, public-private partnerships (PPPs), as Ansell and Gash (2007) explain, often aim to achieve coordination rather than consensus in decision-making (p. 548). They highlight that shared decision-making is not the main focus in PPPs, but rather agreements to provide certain services or carry out certain tasks.

The following summary presents the key characteristics of effective cross-sector collaboration, as detailed by several scholars (Waddock, 1988; Googins & Rochlin, 2000; Berger, Cunningham & Drumwright, 2004; Bryson & Cosby, 2006; Warner, et al., 2007; Anshell & Gash, 2007; Seitanaidi & Crane, 2009; Selsky and Parker, 2010; Brinkerhoff & Brinkerhoff, 2011). These characteristics are outlined in Table 3.

Several other aspects also play an important role in the success of partnerships. Ansell and Gash (2007) state that “ownership” means shared responsibility for the process (p. 560). They emphasize that trust is an important element in ensuring stakeholder involvement in partnership initiatives. In The New Broker: Brokering Partnerships for Development (Warner, 2003), it is stated that partnership initiatives may require facilitation by an independent mediator. This is because differences in interests between parties often make it difficult to achieve common goals and share resources. However, government agencies remain accountable for the outcomes of the partnership. The role of the private sector in poverty alleviation through CSR should be seen as a complementary effort to the role of government (Young, 2006).

Table 3. Characteristics of Effective Cross-Sector Partnerships

No.	Characteristics
a	Same goal
b	Collective and consensus-based decision making
c	One sector cannot solve the problem alone
d	Co-created solutions benefit all stakeholders
e	Shared and combined resources (such as funds, expertise, competencies)
f	Non-hierarchical and equal structures and processes
g	Based on trust
h	Relationships are institutionalized formally and informally
i	Synergistic interaction between partners
j	Shared accountability for results and achievements

In addition to ownership, Helm and Loon (2003) emphasize the importance of alignment and synchronization. Alignment means that the systems used by the recipient to design and implement programs, manage finances, and monitor and evaluate are well utilized. When these systems are less effective, partnership initiatives seek to improve them. On the other hand, synchronization refers to stakeholders' efforts to reduce fragmentation, duplication, and overlapping programs. As a result, synchronization increases integration and maximizes each stakeholder's comparative advantage.

Proper management of expectations and dependencies in cross-sector partnerships also plays an important role. Davy (2004) highlights that simply building infrastructure or providing social services without involving local stakeholders creates a culture of dependency. The consequence of this culture of dependency, according to Idemudia (2008), is increased community expectations. Therefore, Hamman (2001) states that when participation is accompanied by increased capacity building efforts, local stakeholders become more independent and less dependent on extractive companies.

In addition to these recommendations, Ansell and Gash (2007) emphasize the importance of legitimacy and representation in terms of inclusivity. The more inclusive a partnership is, the more stakeholders are represented. As a result, legitimacy increases because policy outcomes reflect broad consensus (Ansell and Gash, 2007, pp. 555-556). Another outcome of increased inclusion and representation is accountability. The more stakeholders are involved in the decision-making processes that affect the course of the partnership, the more opportunities there are for local stakeholders, especially local communities, to have a voice and control over the course of the project (Garvey and Newell, 2005).

The second discussion is about the models identified from the case studies. The following three models illustrate cross-sector collaborations with varying scope and depth. The first model, taken from Soplop et al.'s (2009) study in Indonesia, is essentially a partnership in implementation. This model is unique because the target community has the ability to influence the decision-making process in the field based on a design that has been determined by the government, the company, and international NGOs. The second model, based on Sullivan and Kiangai's (2004) study in Tanzania, has different characteristics. This model is led by the company, but stakeholders can still influence the policy-making process and subsequent implementation. The last model, based on Suryani's (2010) findings in Indonesia, represents a more holistic collaboration where all stakeholders are involved in all stages of the partnership cycle.

Community-Based School Reconstruction: Indonesia, in response to school damage from the 2006 earthquake in Yogyakarta and Central Java, Indonesia, the Research Triangle Institute (RTI), a USAID-funded project contractor, initiated a public-private partnership (PPP) for school reconstruction. This approach was intended to connect the central government, local governments, communities, and a company (ConocoPhillips, a US oil company operating in Indonesia) in implementing community-based school reconstruction. They did so by building on an existing project, the Decentralization of Basic Education (DBE1) program, which assists local governments in improving their financial management and education service delivery systems.

The parties involved in DBE1 work together based on letters of commitment (LCs) that detail and clarify the roles and contributions of each partner. These letters serve as binding agreements and serve as a reference for monitoring between the parties. The Upstream Oil and Gas Business Executive Agency (BP Migas), the government's executive agency that regulates upstream oil and gas business activities, coordinates with oil companies to channel some of their CSR funds into the program. Education offices at the provincial and district levels, together with local government religious affairs offices, select schools to be reconstructed. Local governments resolve land ownership issues and provide support for staff, office space, school equipment, furniture, and materials. Communities, through school boards, are actively involved in designing, planning, and constructing the buildings, including creating employment opportunities for local residents.

A committee was formed to manage the project, consisting of 9-15 volunteers representing the community around the school. Volunteers from the school council were selected based on their previous experience in building management and supervision, not on their social status. DBE1 facilitated training and workshops for these community committees so that they could work independently. Topics covered in the training and workshops included building design, procurement, recruitment, volunteer management, construction process supervision, financial and administrative reporting, effective collaboration, and overall management of the construction process.

Soplop et al.'s (2009) study concluded that the community participation approach used by DBE1 overcomes the weaknesses of the existing school construction model, which is usually outsourced to building contractors or other third parties. Contractors tend to be profit -oriented and pay little attention to the durability and maintenance of buildings. Their building models are often not in line with local needs. Meanwhile, DBE1 produces better quality construction work, at lower costs, and with greater transparency. The program also increases community ownership and satisfaction compared to reconstruction work carried out by traditional contractors (Soplop et al., 2009, p. 10).

Social Development Program: Tanzania, Kahana Mining Corporation Ltd (KMCL), a subsidiary of Barrick Gold, was granted a license to operate in Bulyanhulu, Tanzania, in 1994. Bulyanhulu is located approximately 45 km south of Lake Victoria in the Kahana District of North Central Tanzania. Prior to this agreement, since the 1970s, the mine site had been inhabited by 30,000–40,000 artisanal miners. The granting of the license to KMCL by the national government triggered a government-sponsored crackdown on them starting in April 1996, including torture and killings. The incidents sparked international outrage.

Local communities witnessed the disparity between their lives and the multi-billion dollar company. The central government failed to distribute mining revenues to improve the welfare of local communities. Realizing that this could damage the company's reputation, KMCL eventually chose a three-sector partnership approach to gain community acceptance so that they could operate in the area. A safe working environment was also important to attract Tanzanians as potential managers. One of the measures taken to gain community acceptance was KMCL's plan to replace 70% of their expatriate managers with local Tanzanians within five years.

KMCL's three-sector partnership approach is implemented through a program called the Social Development Program (SDP). In 2000, KMCL contracted a Canadian consulting firm, Planning Alliance, to facilitate the partnership process. The SDP included the construction of housing and related infrastructure for KMCL workers, which was later expanded to include local communities in areas such as health, education, clean water provision, and local business development. Given the scale of the project, KMCL combined resources from local government and communities, and prepared an exit strategy before long-term responsibility was handed over to the community and local government.

A community development unit was established internally in KMCL to implement development plans in collaboration with communities, local governments, and NGOs, and to coordinate project implementation across internal units. Extensive consultations and negotiations were conducted so that KMCL management and stakeholders could identify areas for improvement. A cross-sector committee was established to coordinate program design and resource allocation in each project.

Each actor in the partnership plays a role according to their scope of responsibility. The NGO CARE Tanzania develops training modules, trains and mentors teachers, and mobilizes communities. District councils recruit teachers, supervise schools, provide building materials, and logistical support for the program. Village governments and communities contribute labor and land for construction, seek financial contributions from the community for the program, and mobilize community participation in adult education.

As a result, as Sullivan and Kiangi's (2004) study revealed, SDP increased children's access to education by almost 100 percent, compared to 60-80 percent before the program was implemented. Around 35,000 people now enjoy better access to clean water (p. 122). Communities have adopted healthier lifestyles and are more aware of HIV, AIDS, and malaria (p. 123). Thanks to the partnership model and SDP's contributions, the government is able to implement development programs better (pp. 124-125).

Multi-stakeholder Forum: Indonesia, Kutai Timur Regency is located in Kalimantan, Indonesia, and is home to around sixty mining companies, mainly coal, which contribute 84.47% to the regional economy. Since the regency is a remote area with limited infrastructure and public services, the local government expects companies to engage in local development through public-private partnerships (PPP). In addition, cooperation in the form of partnerships is ideal to avoid duplication of corporate CSR programs and government development programs.

In 2005, a local NGO called Pusat Pemberdayaan dan Ekonomi (C-Force) initiated a program titled "Multi-stakeholder Partnership Initiative to Implement Sustainable CSR in East Kutai" with funding from the European Union. The Multi-stakeholder Forum (MSH-Forum) aims to facilitate partnerships in designing, implementing, monitoring, and evaluating CSR programs. Another objective of the MSH-Forum is to promote participatory, transparent, accountable, and pro-poor CSR practices.

To achieve these goals, C-Force invited companies, local government officials, legislators, community leaders, local NGOs, and local universities to participate. C-Force also organized all activities from the formation of partnership committees, programs, to Memorandums of Understanding (MoUs). The stakeholders agreed that MSH's mission is to integrate the UN Millennium Development Goals into CSR practices in the fields of health, education, economic development, and infrastructure, which are in line with the development plan of East Kutai Regency. Facilitation by C-Force successfully tied this partnership with Regent Regulation Number 10/02.188.3/HK/VII/2006 which stipulates "CSR Implementation Guidelines in East Kutai Regency."

The MSH Forum's governing body consists of companies, local governments, and civil society entities with equal representation. The committee has three levels: the district level, the sub-district coordination committee, and the village coordination committee. At the district level, there is an advisory and implementing board consisting of the regent, CEO, and senior officials from local governments and companies. The MSH Forum Secretariat acts as the head of the Implementing Board for day-to-day administration. At the sub-district and village levels, the coordination committee represents the MSH Forum in identifying and listing issues, aspirations, and needs through annual development planning meetings. Funding, as stipulated in the policy guidelines, comes from companies, governments, and unrestricted donations.

The planning process begins with a participatory annual development planning meeting at the village level, then continues to the sub-district level, then to the district level. The MSH Forum Coordination Team at the sub-district and village levels acts as a facilitator in this planning process. However, the community can also submit proposals directly to the MSH Forum Committee without having to attend the meeting. Discussions on the formulation of CSR programs, evaluation of CSR implementation, and measurement of the performance of the partnership forum are held once a year.

Suryani's (2010) research found that the MSH Forum achieved several results. The company's CSR programs and local government programs were more coordinated and synchronized. Several joint programs between the government and companies were also created. Through the MSH Forum, local governments and companies can better manage community expectations. On the other hand, the MSH Forum provides more access for the community to convey their needs and make their voices heard, so that CSR programs become more relevant.

The third discussion discusses the Analysis of Advantages and Disadvantages of Case Studies. The three models of case studies can be seen as a continuation of collaboration, as illustrated in Table II. From left to right, the level of partnership becomes more comprehensive. The process of forming partnerships, implementing missions and programs, and achieving goals is increasingly intensive from left to right.

To assess the strengths and weaknesses of each model of cross-sector collaboration, a number of key characteristics have been identified as important for facilitating multi-stakeholder poverty reduction initiatives. These characteristics include:

First, the model should encourage stakeholders to feel ownership and responsibility for the success of the program, thus ensuring active participation and commitment. Second, alignment and synchronization of programs across sectors is essential to avoid duplication and utilize resources efficiently. Third, the legitimacy of the model increases when it creates inclusivity and fair representation of all parties, so that different voices and needs can be heard and considered.

Furthermore, collaboration is strengthened through sharing of resources, whether financial, human, or material, to maximize impact. The model should also seek to reduce dependency by empowering local communities and encouraging sustainable and self-reliant development. In addition, it is important to have mechanisms for managing expectations and resolving conflicts to ensure smooth collaboration. Finally, accountability mechanisms are needed to monitor progress, ensure transparency, and enforce commitments made by each stakeholder. These characteristics are crucial in evaluating and comparing the effectiveness of different models of cross-sector collaboration in addressing poverty and achieving long-term development goals.

Table 4. Comparative characteristics

Characteristics	DBE1 Indonesia	SDP Tanzania	MSH-Forum Indonesia
Ownership	The program was initiated by external actors and led by the central government. Local governments may have less ownership than the targeted communities. However, the communities have shown strong leadership in project implementation.	SDP is a company-led program, but there is a lot of in-depth consultation and negotiation between the company and stakeholders in each project committee. Because priorities are agreed by consensus, ownership is greater.	The objectives, rules, project areas, target beneficiaries, division of roles, and shared resources are agreed upon through consensus. In addition, this is also formalized through a Regional Head Decree. This partnership then becomes a public program.
Alignment and Synchronization	Provincial and local education offices and religious affairs offices assisted DBE1 in selecting schools for reconstruction projects. The projects complement areas not covered by other government or non-profit assistance programs.	In the consultation and negotiation phase, KMCL identified complementary and additional roles. KMCL supported governments and communities in capacity building.	From the beginning, the objectives and programs of the MSH-Forum were formulated in line with the government's development plans.
Accountability	DBE1 manages the overall project management, but in its implementation, the team consists of DBE1, BP Migas, and company representatives. In contrast, provincial and local government officials cannot stand on an equal footing with the DBE1-BP Migas-Company team. At the community level, accountability has been well established. Participatory governance carried out by the school committee has succeeded in preventing corruption or other bad practices.	Despite the disparities in resources among stakeholders and the nature of the projects led by companies, each stakeholder has relatively equal power to hold each other accountable. Companies have financial power and expertise. Miners and residents can initiate blockades or sabotage that can harm the company's reputation and production. Governments have other legal authorities and instruments.	Accountability in the MSH Forum is greater than in previous models. The MSH Forum holds annual meetings to evaluate its projects. “Checks and balances” exist throughout the life of the project. Monitoring and evaluation involve stakeholder representatives who can provide input to improve the project.
Management of Expectations and Dependencies	It can be said that DBE1 only channels projects to areas that need them most. In normal situations, this method can increase dependency due to unequal sharing of resources.	Stakeholders were actively involved in the bottom-up consultation, negotiation, and planning process. In the process, KMCL encouraged communities to utilize their assets. The Kahana District Government shared 25% of its budget, although only 2% of the total SDP budget plan. KMCL provided technical skills, funding, and capacity building to local governments and communities.	Projects proposed and approved in MSH-Forum include not only services but also capacity building. Local governments share human resources to implement projects funded by MSH-Forum. To run the MSH-Forum Secretariat, companies share funds.

Representation and Legitimacy	The approach to community participation, representation and legitimacy is built at the community level, by electing committee members so that they have real power to confront the dominant village elite. The legitimacy of the entire project relies on the authority of the central government. This is not ideal as a model for extractive industries.	Relevant stakeholders, including companies, government entities, mine workers, and community members, were actively involved in consultations and negotiations.	The MSH Forum includes all stakeholders including those with conflicting relationships. In addition, the Forum is led by an executive officer from each stakeholder. This creates strong legitimacy.
Timeline	The partnership process lasted for one year from October 2007 to September 2008.	The partnership process lasted for one year from 2000 to 2001.	The partnership process took place from August 31, 2005 to March 27, 2006.

Beyond the comparisons outlined in Table 4, there are additional risks and drawbacks to building cross-sector collaboration. The DBE1 model, for example, tends to be less popular with local governments and communities around companies in Indonesia because of their limited access to the design and planning stages of the program. They prefer to play an active role in policy decision-making rather than just a role in implementation. This is related to the psychological perception that multinational corporations (TNCs) are perceived as foreign entities, prompting local governments and communities to use various means to counteract this power.

If the DBE1 model is applied in the extractive industry sector, there will likely be resistance from local officials and politicians. In the context of decentralization that has given local governments more autonomy since 2001, this model is less preferred because it places them outside the project implementation process, eliminating the opportunity for some officials to abuse the project. In addition, the DBE1 model also limits the opportunity for local contractors to obtain contracts with low-quality proposals. In common practice, corrupt officials may accept bribes from contractors who want to win projects, so the DBE1 model can be detrimental to their interests. In contrast, local governments tend to be more supportive of the SDP model. In Indonesia, around seventy percent of the local budget is allocated for salaries (Synnerstrom, 2007), so they tend to prioritize a model where companies contribute the majority of the partnership funds. In addition, a capacity building component is also expected, given that many local officials in remote areas lack skills in project management (Sullivan & Kiangi, 2007).

In the context of high-trust collaboration, such as in the SDP and MSH-Forum models, facilitators have a key role to play in bridging the differences in interests between actors. Research shows that facilitators can help address power imbalances, prevent domination, and create an environment conducive to partnership (Waddock, 1988; Warner, 2003; Fox, 2005; Bryson, Crosby & Stone, 2006; Ansell & Gash, 2007). Lasker and Weiss (2001) also mentioned that effective facilitators must be able to: (1) encourage broad and active participation, (2) ensure equitable distribution of influence, (3) facilitate productive group dynamics, and (4) expand the work process (Ansell & Gash, 2007, p. 554). However, in the MSH-Forum, the risk of power imbalances between elites and communities can be a major challenge. The reliance on patron-client culture in local politics gives elites in government, legislatures, and political parties greater influence.

5. Conclusion

This study does not propose a single model that can be applied universally across contexts. Instead, after conducting an in-depth analysis of the weaknesses, benefits, risks, and lessons learned from three different models, this study presents a number of recommendations to consider as steps to build effective cross-sector partnerships in CSR initiatives.

First, it is important to ensure the presence of a neutral, professional, and credible facilitator in a CSR cross-sector partnership program. The role of this facilitator is crucial in bridging the gap in power, access to resources, and differences in knowledge levels among stakeholders (Ward, Fox, & Wilson, 2007). Second, donor agencies need to be involved in building the capacity of companies so that they are able to engage more effectively in CSR-related governance reform initiatives. Third, in order to ensure good representation, legitimacy, accountability, program ownership, and effective alignment and coordination, the governance structure of a cross-sector partnership in CSR should involve representatives from almost all sectors and levels. Finally, CSR projects that have a low level of complexity or that are in accordance with community capacity can produce optimal results if they are carried out with the active participation of the local community.

Designing effective cross-sector partnerships that are relevant to the political and social conditions in Indonesia is indeed a challenge. However, by combining the key characteristics of effective partnership models discussed in this study, a more contextual approach can be realized. This approach is expected to be able to align CSR programs with the poverty alleviation agenda in Indonesia, creating a more real and sustainable impact on society.

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