EMPOWERING LAW AND STRATEGY OF CSR
IN THE WAKE OF THE 4TH INDUSTRIAL REVOLUTION
AT INDONESIA.

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ABSTRACT

August 17, 2017, exactly 72 years of Indonesian independence, independence from Japanese colonialism, independence from various colonialism that claimed the people’s right. Constitutionally free, but still many of us have not really felt the true freedom. Indonesia is not yet fully independent, there is still a lot of homework for this nation to be able to "independence" as a whole. Various problems such as: Poverty; A very deep gap between the rich and the poor; Deviations from the Pancasila economic system, as set forth in Article 33 paragraphs (1), (2), and (3), that what happens is the development of capitalist economy controlled by the conglomerates with various forms of monopoly, oligopoly, corruption, collusion and nepotism (KKN); Rampant rule of power; Law Enforcement Crisis (legislative, judicative under the executive power); Political crisis (the decisive role of the central government); Confidence crisis (the destruction of the political, legal and economic system resulted in people’s disbelief of the government); The level of education of the labor force is still relatively low; Teachers issues; Morality of the nation that is no longer in accordance with the personality of the Indonesian nation based on Pancasila; Criminals are increasingly desperate; Drugs as a serious threat to the younger generation, where recorded number of drug users 5.9 million and 40 people die every day in Indonesia, and many other things more. The law is made to be obeyed and there are sanctions for those who violate it, but the reality in the field turned out that the law was made precisely to be violated. In this case occurs because the implementation of law in Indonesia has many weaknesses and shortcomings, so the need to be firm in reducing the problem of injustice that occurred in the community by empowering the law and putting the right strategy for the implementation of the CSR (corporate Social Responsibility) program to decrease the social problems is urgently needed. Next about the readiness of Indonesia in welcoming the era of industrial revolution 4.0, where there is a digital revolution and access to information and knowledge is almost limitless. All machines are connected through an internet system or known by cyber as well as digital applications, changes are very fast, Indonesia must also be ready with the surprises of this fourth industrial revolution. Significant developments in the field of technology shook many industries and companies, also breaking down the limitations previously owned by the industry. It is important to change consumer expectations that must be balanced with innovation, product improvement, and services. Need to commit to quickly customize and improve the quality of labor, both in the trade, manufacturing and agricultural sectors that are irrelevant to the current system, especially in terms of innovation and forging skills, creativity is no longer confined within its limitations. The level of education provides an overview of the quality of human resources living in the country. The developed countries of the education level of the population are high, on the contrary with the developing countries, especially poor countries. There are several measures to see the state of education. Indonesia is experiencing the same thing in human resource development, so it will be tough in facing this 4th industrial revolution. According to the study "The Archipelago Economy: Unleashing Indonesia’s Potential" published by McKinsey in 2012, Indonesia has the opportunity to reach seventh position in the world’s largest economic power by 2030. But to gain that power, Indonesia still needs an additional 60 million skilled workers. The main obstacle faced by Indonesia's manufacturing industry according to research conducted by World Bank in 2010 is its human resources. So in general, the domestic industry is still experiencing difficulties in producing products with high quality and content of technology, and finally less competitive with overseas products. The question is how far this writing of “EMPOWERING LAW AND STRATEGY OF CSR IN THE WAKE OF THE 4TH INDUSTRIAL REVOLUTION AT INDONESIA” provides solutions.

Keywords: The Disruption, Good Governance, Change, Stakeholders, Self-Driving.

1. Introduction.

In the context of Indonesian politics ahead of the 2014 Presidential Election, the couple Joko Widodo-Jusuf Kalla designed nine priority agendas if elected president and vice president. Nine programs are called Nawa Cita. Nawa Cita or Nawacita is a common term that is absorbed from Sanskrit, nawa (nine) and cita (hope, agenda, desire). In the vision-mission is presented nine main agenda to continue the spirit of struggle and ideals Sukarno known as Trisakti, namely sovereign politically, independently in the economy, and personality in culture.

The nine-point priorities are: First. Returning the state to its task of protecting all citizens and providing a safe environment. This means that they will; protect migrant workers; Protect maritime interests, particularly concerning borders and natural resources; Increase the military budget to 1.5 percent of gross domestic product (GDP) within five years; Build professional police. Second. Developing clean, effective, trusted and democratic governance; Require all government institutions to produce performance reports; Open access to public information and public participation; Reform the bureaucracy; Improve public services; Increase women’s role and their participation. Third. Developing Indonesia’s rural areas; Push regional administrations to cut their overhead costs and allocate more for public services; Improve public services in villages, subdistricts and districts; Implementation of village law; Structuring of new autonomous regions for the welfare of the people; Fourth. Reforming law enforcement agencies; Prioritise reform of the judiciary; Resolve historic human rights violations; Strengthen corruption
eradication commission; Eradicate judicial mafia; Build a culture of law; Combating drugs and psychotropic; Fifth. Improve quality of life; Increase educational and training quality through the “Indonesia Pintar” (Smart Indonesia) program with 12 years of compulsory and free education; Increase public health services through “Indonesia Sehat” (Healthy Indonesia) card program; Push the implementation of land reforms; Provide ownership program for 9 hectares of land; Develop more villages of row houses; Sixth. Increasing productivity and competitiveness; Construct 2,000 kilometers of roads; Develop 10 new airports and 10 seaports; Construct 10 industrial estates along with housing for workers; Build 5,000 traditional markets; Provide one-stop services for the processing of investments and business licenses with completion target of 15 days; Set up development and infrastructure bank; Build regional science and techno parks, academies and vocational schools; Seventh. Promoting economic independence by developing domestic strategic sectors; Expand the irrigation network to cover 3 million hectares of rice fields; Open 1 million hectares of rice paddies outside Java; Build a bank for farmers and small businesses; End the conversion of agricultural land; Cut energy imports by promoting exploration at home; Construct more gas pipelines; Prioritise the use of coal and gas to fuel electricity; Achieve a financial inclusion ratio target of 50 percent; Target a tax ratio of 16 percent; Restrict the sale of national banks to foreign investors; Increase research in agriculture and industry; Eighth. Overhauling the character of the nation; Reorganise the educational system by prioritising the inclusion of civic education, history, character-building and patriotism; Evaluate national exams; For elementary education, 70 percent of the teaching must focus on building attitude and character; For higher education, 40 percent of teaching must focus on science, and 60 percent on applied knowledge; Provide subsidies to state universities; Provide financing for research and technology development; Ninth. Strengthening the spirit of “unity in diversity” and social reform; Promote tolerance; Enforce the law to improve people’s spirits; Re-establish mutual cooperation as social capital through social reconstruction
Social restoration to restore the spirit of harmony among citizens; Strengthen diversity education and create spaces of dialogue between citizens.

Based on a report from the Asian Development Bank, Indonesia’s national population in 2015 was at 255.46 million, 47.2% of whom lived below the national poverty line. Indonesia’s national poverty line set a consumption of Rp302,735 ($25) monthly per person - about 82 cents daily. There was also a disparity as early as 2014, where 23.8% of the rural population was classified as poor while the urban population consisted of 16.2%. This stems from the low-productivity jobs available in the country in agriculture and low-end service sectors. Poverty in Indonesia is a widespread issue though in recent years the official numbers show an inclining trend and probably one of the poorest in the world. Due to the dense rural nature of parts of the Java, Bali, Lombok, and parts of Sumatra, poverty can be classified into rural and urban poverty. Urban poverty is prevalent in not only in Jabodetabek, but also in Medan and Surabaya. As a sprawling archipelago, poverty characteristics and implications vary widely from island to island and culture to culture. Papua has serious poverty issues of its own due to economic, cultural, linguistic and physical isolation which set it apart from the rest of Indonesia.

Indonesia is the 90 least corrupt nation out of 175 countries, according to the 2016 Corruption Perceptions Index reported by Transparency International. Corruption Rank in Indonesia averaged 100.27 from 1995 until 2016, reaching an all time high of 143 in 2007 and a record low of 41 in 1995. While hard data on corruption is difficult to collect, corruption in Indonesia is clearly seen through public opinion, collated through surveys as well as observation of how each system runs. Transparency International's 2016 Corruption Perception Index ranks the country 90th place out of 176 countries. There are two key areas in the public sector in which corruption in Indonesia can be found. These are the justice and civil service sectors. Corruption within the justice sector is seen by its ineffectiveness to enforce laws, failure to uphold justice, hence undermining the rule of law. The areas of corruption within this sector include the police and the courts. In the 2008 Public Sector Integrity Survey, the Supreme Court ranked the lowest in integrity in comparison to the other public services in Indonesia. The courts were viewed to make decisions unfairly and have high unofficial costs. Evidence of corruption within the civil service comes from surveys conducted within the sector. Some surveys found out that almost half were found to have received bribes. Civil servants themselves admit to corruption. In January 2012, it was reported that Indonesia has lost as much as Rp 2.13 trillion (US$238.6 million) to corruption in 2011. A study conducted by Indonesia Corruption Watch, a non-profit organization co-ordinated by Danang Widoyoko, said that embezzlement accounted for most of the money lost and that “government investment was the sector most prone to gratification.” Companies are concerned about red tape and widespread extortion in the process of obtaining licences and permits, and they often faced demand for irregular fees or concessions based on personal relationships when obtaining government contracts. Companies have also reported regular demand for cash payments and expectations for gifts and special treatments by Indonesian officials.

As has been mandated by the Founding Fathers of the Unitary State of the Republic of Indonesia as stipulated in the constitution of the 1945 Constitution of the State of the Republic of Indonesia. Indonesia is a welfare state. The formulation of the concept of State Welfare State is embodied in the Preamble of the 1945 Constitution of the State of the Republic of Indonesia in the fourth paragraph which reads: "Later than that to establish an Indonesian State Government that protects the whole Indonesian nation and the entire Indonesian blood sphere and to promote. The achievement of prosperity and prosperity for all Indonesian people is one of the ideals desired by the founders of the Indonesian state. The development process that only provides opportunities for a small number of community groups to enjoy the results of development and marginalize other community groups is the burning of the ideals just now. Populist economic researchers view that the process of economic development in Indonesia has been increasingly away from the ideals of social justice, prosperity and prosperity for all Indonesian people. This is because the development policies are not pro-people and the tendency in the market economy so that who is strong will be able to access more productive economic resources while the people are more regarded as the object of development so familiarized to be passive and resigned to accept the circumstances. Consequently, poverty and social imbalances arise as a result of the development process.
Indonesia has a long way to go before the country can fully embrace the so-called "Fourth Industrial Revolution," panel members at the 2017 Indonesia Economic Forum said in Jakarta on Wednesday (22/11). The word “revolution” denotes abrupt and radical change. The 1st industrial revolution spanned from about 1760 to around 1840. Triggered by the construction of railroads and the invention of the steam engine, it ushered in mechanical production. The 2nd industrial revolution, which started in the late 19th century and into early 20th century, made mass production possible, fostered by the advent of electricity and the assembly line. The 3rd industrial revolution began in the 1960s. It is usually called the computer or digital revolution because it was catalyzed by the development of semiconductors, mainframe computing (1960s), personal computing (1970s and ‘80s) and the internet (1990s). Today we are at the beginning of the 4th industrial. The revolution scope is much wider, it is characterized by a much more ubiquitous and mobile internet, by smaller and more powerful sensors that have become cheaper, and by artificial intelligence (AI) (self driving cars, drones to virtual assistants, translation software), machine learning, by automation, by enabling “smart factories,” (voice recognition, robotic), e-commerce and the making of “unprecedented things,” The megatrends (physical (autonomous vehicles, 3D printing, advanced robotics, new material); digital (IoT/Internet of all things); and biological (Genome Project, …).

The national manufacturing sector must be ready for major changes in the face of the fourth industrial revolution or Industry 4.0. Consequently, new approaches and capabilities are needed to build an innovative and sustainable production system. The labor force in Indonesia must be conscious of learning and improving its skills to understand the use of internet of things technology or to integrate internet capabilities with production lines in the industry. Initiate the implementation of vocational education that links and matches between academia and practitioners / industries. This program also prepares ready-to-use skilled workers in the industrial world. And the use of digital technology to boost productivity and competitiveness for small and medium industries (SMEs) so as to penetrate the export market through SMEs e-smart program.

National industries can use digital technologies such as Big Data, Autonomous Robots, Cybersecurity, Cloud, and Augmented Reality. "This 4.0 Industrial System will provide benefits to the industry, such as raising efficiency and reducing costs by about 12-15 percent." Technological innovation through startup development by facilitating business incubation sites. This effort has been done by the Ministry of Industry by encouraging the creation of technology-based entrepreneurs resulting from several technoparks built in several regions in Indonesia, such as in Bandung (Bandung Techno Park), Denpasar (TohpaTI Center), Semarang (Incubator Business Center Semarang), Makassar (Makassar Techno Park, Indonesia Software House, and Batam (Mobile Design Center).

The fourth revolution (Industry 4.0) as a new chapter that will transform all lines of human life through technological development. For the first time in history, the future of living puts creativity and innovation as the driving of economic growth. Indonesia’s enormous human resources have the ability to create innovation and added value, the creativity will become an endless renewable resource.

2. Problem Statement.
   - During the Industrial Revolution, the worry was about the dehumanising effects of work, today, perhaps the greater fear is where the elimination of work itself is the source of dehumanisation as a result of income insecurity, declining social agency and increase in crime.
   - While digital startups are becoming more prolific across the world, Indonesia still lacks an entrepreneurial workforce that can truly take advantage of new technologies and ways of doing business.
   - In Indonesia, Education of the fourth revolution is still evolving and is rarely seen at schools.
   - In the past two decades, the gap between the richest and the rest in Indonesia has grown faster than in any other country in South-East Asia. It is now the sixth country of greatest wealth inequality in the world. Today, the four richest men in Indonesia have more wealth than the combined total of the poorest 100 million people.
   - An increasing numbers of birth, growing up in poverty families and sole parent or reconstituted families.

   - How Indonesia Looks to The Fourth Industrial Revolution?
   - How Far The Fourth Industrial Affect the Law Enforcement in Indonesia?
   - How Should the CSR Respond to The Fourth Industrial Revolution?

4. Purpose of The Study.
   - The purpose of this study is to provides an overview of the conditions that are being faced by the state of Indonesia due to the development of industrial revolution 4.0 and to awaken, anticipate the implementation of corporate assistance to face the fourth Industrial Revolution, and by the CSR programs / assistance of companies can reduce the poverty of the productive age and start to build the next potential generation, which is in line with the Indonesia embraces the development of people-based economy, based on the Four State Pillars: Pancasila, The 1945 Constitution, the Unitary State of the Republic of Indonesia (NKRI) and the Unity in Diversity, and with the principles of togetherness, mutual cooperation and kinship. Restoring the culture of manners, the shame of the Indonesian people who have been very thinning (Mental Revolution), which also reminding that Indonesia is not based on capitalist, Individualist and liberalist economies. Gives an idea of how much law lags behind in today's development.
   - Giving just how blunt the law is in Indonesia.
   - Giving a picture of Indonesia's condition that is critical of human resources.
   - Provide solutions to reduce opportunities for inappropriate use of CSR funds.

5. Research Methods.
According to Soerjono Soekanto: “Research is a scientific activity based on an analysis and construction that is done in a systematic, methodological and also consistent and aims to be able to reveal the truth is as one manifestation of human desire to be able to know about what is being faced”. This research is conducted so that the achievement of welfare and peace goals can be realized as soon as possible in Indonesia's homeland, as aspired when the state of Indonesia became independent. Compound people can live harmoniously and side by side.

This research is a type of field research (field research) with a qualitative approach. Kirk and Miller define qualitative research as a particular tradition in social science that is fundamentally dependent on observation in humans both in its region and in its terminology. In this research is also supported by library research (bibliography) is the source of data in the form of books or literature related to the discussion or through data sources on the internet. Qualitative research is a study that produces analytical procedures that do not use statistical analysis procedures or any other quantification method. It is clear that this notion contrasts qualitative research with quantitative research by highlighting that any quantification effort should not be used in qualitative research.

The study of this paper will use the utility theory of "greatest happiness for the greatest number", pioneered by Jeremy Bentham, supported by R. Edward Freeman in his theory, "A Stakeholder theory of the Modern Corporation", the theory of stakeholders is based on two principles that balance the rights of complainants to corporations with the consequences of corporate form. The First, the principle of corporate securities, states that "The Company and its managers are responsible for the effects of their actions on others". The second principle, namely the principle of corporate rights, states that "The Company and its managers do not violate the legitimate rights of others to determine their own future". This principle is derived from the Deontological theory of Immanuel Kant (1724-1804) based on the principle of respect for the people that people should be treated as goals and never just as a means. According to Kant an act is good, if due to obligation (categorical imperative), which obliges just, independent of any conditions. Managing a company to improve the standard of living and employees' welfare as a primary stakeholder is a righteous act and an obligation of every company because it is supposed to be the way the company is run. And if this concept is linked to justice, then it is fair that management in managing the company is concerned with improving the living standards and welfare of employees and the surrounding community as stakeholders. John Rawls argues that the situation of society should be such that the highest profits generated possible for the small classes and for everyone are given equal opportunities in their lives. The set of theoretical frameworks as above is deemed relevant to be used as an analyst blade in the research of this paper.

6. Findings

- In this revolution, emerging technologies and broad based innovation are diffusing much faster and more widely than in previous ones, which continue to unfold in some parts of the world. This 2nd industrial revolution has yet to be fully experienced by 20% of Indonesia people, as nearly 50 million people still lack access to electricity. This is also true for the 3rd industrial revolution, with more than half of the Indonesian’s population, 132 billion people, lacking internet access.

- These are all fundamental changes affecting the economic, social and political systems that are difficult to undo. The reality of disruption and the inevitability of the impact to drive policy choices and to enact the changes that will make the 4th industrial revolution an opportunity for all.

- It is important to contextualize the potential impacts of the 4th industrial revolution on growth with the reference to recent economic trends and other factors that contribute to social process, the power to minimize the gap between the have and don’t, by paying attention to how we can ensure such advances continue to be made and directed towards the best possible outcomes.

- Ineffective law enforcement is often considered to the funding and mental problems.

- The process of economic development in Indonesia has been increasingly away from the ideals of social justice and prosperity for all Indonesian people.

7. Conclusion

- Indonesia is included in the category of State that is ready to run the 4th Industrial Revolution.

- Change the way of the education to meet the forth revolution.

- Indonesia is a state of law where the purpose of the State of Indonesia is clearly stated in the preamble of the 1945 Constitution which consists of 4 paragraphs, which have a certain meaning in each paragraph. The first paragraph: "that indeed freedom is the right of all inhabitants and hence the occupation of the world must be abolished because it is incompatible with humanity and justice"; The second paragraph: "And the struggle for independence of the Indonesian independence movement has come to a happy moment with a happy sense of delivering the people of Indonesia to the gate of independence of the Indonesian state which is independent, united, sovereign, just and prosperous"; Third paragraph: "By the blessing of Allah Almighty and by being encouraged by the noble desire for a free nationalist life, the people of Indonesia declare with this their independence"; Fourth paragraph: "Then to form an Indonesian state government that protects the entire Indonesian nation and the entire blood of Indonesian and to promote the common prosperity, to educate the nation and to carry out the world order based on freedom, eternal peace and social justice, the independence of Indonesian nationhood in an Indonesian State Constitution, which is formed in the composition of the state of the Republic of Indonesia sovereignty of the people based on: 1. Belief in the One Supreme. 2. Just and civilized humanity. 3. Unity of Indonesia. 4. Democracy led by wisdom of wisdom in deliberations of representation. 5. And by realizing a social justice for all people of Indonesia.

- The development of Indonesian economic law needs to pay attention to the concept of sustainable economic development. Legal thinkers in Indonesia should have developed a team of experts in anticipating the revolution and not waiting for new events/happen and then build law. Renewal in attitudes, ways of thinking, and various aspects of our legal society's behavior toward conditions in accordance with the demands of the times. Unfortunately the jurists prefer to play politics rather than enforce laws that can prosper society. The law is deliberately slowed to make the economists' weaknesses.
The CSR Forum must guide the companies' CSR program (education/train the trainer) in "The specialization and focus is the key." The era of 'technology disruption', requires mastery of a combination of technologies, such as physics, digital and biology.

CSR Fund must be arranged by the companies and the government/CSR Forum only as a guidance in the projects.

The virtue of building a moral and ethical young generation through education in schools and universities.

Through the CSR program build a generation of creative and innovative generation.

Article 24 Paragraph (1) of the 1945 Constitution states "an independent judicial power to administer justice to uphold law and justice". Meanwhile, the Judicial Power Law requires the judge to explore the values that live in society. Article 27 paragraph (1) of Law no. 14 Year 1970 mentions 'judge as law enforcement and justice must multiply, follow, and understand the values of law that live in society'.

Some of the disciplines that develop and need to be mastered by Indonesia's young generation/next generation/productive age, include: Internet, D Printing, Nanotechnology, Biotechnology, Genetic Editing, e-Learning, which must be started from the teachers/lecturers to know/learn about it.

An end to KKN at Era Jokowi government, the Indonesian acronym for corruption, collusion and nepotism is currently one of the demands of Indonesia's growing reform movement.

The official who did corruption, collusion and nepotism need to be sanctioned against all stakeholders who enjoy, especially family members with the confiscation of all his/her’s property.

Nawacita program is the right supporting to Indonesia problem and in line with the SDGs, should be fully supported by the law enforcement.

Lying along the equator, Indonesia's climate tends to be relatively even year-round. Indonesia has two seasons, a wet season and a dry season with no extremes of summer or winter, formed the laziness culture of the nation.

Law without power is a dream and a lawless power is unrighteous. Indonesia is a state of law. "In the concept of the State of the Law, it is idealized that the commander in the dynamics of state life should be a law, not a political or a power, but very sad that what happened in Indonesia today is the opposite.

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