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Strategy for Community Development and Empowerment Around the Coal Mine of PT Mandiri Herindo Adiperkasa, Tbk.

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Abstract. *Community Development and Empowerment (CDE) is a strategic instrument for improving the well-being of communities surrounding mining operations. However, the effectiveness of CDE depends not only on program implementation and the distribution of assistance, but also on the quality of community participation, alignment with local needs, the strengthening of economic and institutional capacity, and the sustainability of benefits after mining operations cease. This study aims to analyze CDE implementation at the IP Bayan Job Site of PT Mandiri Herindo Adiperkasa, Tbk., in Kutai Kartanegara Regency, East Kalimantan Province, Indonesia; identify the factors supporting and constraining its implementation; and formulate strategies to improve CDE effectiveness, participation, and sustainability. The study adopts a qualitative approach using a case study design. The analysis focuses on PT Mandiri Herindo Adiperkasa, Tbk.'s Corporate Social Responsibility (CSR) implementation reports for the 2017-2024 period, supported by relevant regulatory and literature reviews. The analytical framework incorporates the interactive model of Miles, Huberman, and Saldaña, together with Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis and the TOWS Matrix to identify internal and external conditions and formulate strategic alternatives. The analysis indicates that CDE implementation evolved from an assistance-oriented and compliance-based approach in 2017-2018, through a transitional phase introducing productive economic activities in 2019-2020, toward a more structured approach in 2021-2024. Nevertheless, this development has not yet resulted in substantive community empowerment. Community participation remains largely limited to information provision, consultation, and forms of involvement that do not provide sufficient decision-making authority. Other challenges include the uneven distribution of programs across the eight CDE pillars, weaknesses in long-term planning and impact measurement, limited integration of gender and social inclusion, and insufficient preparation for post-mining economic self-reliance. Meanwhile, accumulated implementation experience, partnership networks, and technical training programs provide a foundation for improving CDE effectiveness.*

Keywords: *Community; Development; Empowerment, Strategy, Sustainability.*

1. Introduction

Indonesia is a country with extraordinary natural resource wealth, occupying a strategic position on the world's natural resource map, particularly in the mineral and coal mining sector. Indonesia's coal reserves are dominated by two locations: East Kalimantan and South Sumatra, with total reserves of 10.9 billion tons and 8.5 billion tons, respectively. In East Kalimantan, 71% of the total reserves are medium-calorie coal, while 20% and 9% are low-calorie coal. Meanwhile, in South Sumatra, the proportion of coal is the opposite, with 57% and 43% of low-calorie and medium-calorie coal, respectively. In terms of quantity, low-calorie coal in East Kalimantan (3.2 billion tons) is lower than in South Sumatra (5.4 billion tons). Meanwhile, medium-calorie, high-calorie, and very high-calorie coal are relatively more abundant in East Kalimantan.(Directorate General of Minerals and Coal, Ministry of Energy and Mineral Resources, 2021).

East Kalimantan Province is known as a strategic region and national energy barn that makes a large contribution to Indonesia's coal production, namely around 368 million tons of a total of 82% of national production in 2024.(Directorate General of Minerals and Coal, Ministry of Energy and Mineral Resources, 2025)The presence of the mining industry in this region has been proven to encourage economic growth, both nationally and locally, as shown by the increase in income and employment opportunities in mining areas.(Suharto et al., 2017; Ulfa & Ali Wardhana, 2024)However, mining activities also trigger social and environmental problems such as conflict, flooding, and water pollution.(MM Fashlih et al., 2025; Tahir & Abdullah, 2022)Therefore, implementing sustainable development and community empowerment is crucial to balance the interests of industry and local communities.

In the midst of its existence, the government, through the regulation of the Ministry of Energy and Mineral Resources (ESDM Ministerial Regulation No. 41 of 2016), requires mining companies to implement Community Development and Empowerment (PPM) programs as an integral part of their social responsibility (Ministry of Energy and Mineral Resources, 2023). Ideally, PPM is aimed at improving the welfare of local communities by increasing economic, social, educational, and health capacity (Ministry of Energy and Mineral Resources, 2023). However, in practice, its implementation is not optimal. Many programs are top-down, not based on community participation, and tend to be ceremonial without sustainable impact. Often, CSR or PPM programs do not match local needs and potential, thus failing to alleviate poverty or reduce the community's economic dependence on the mining sector.(Sapar & Syafruddin, 2021).

The development and empowerment of communities surrounding mining areas in East Kalimantan has become a strategic issue in the past decade, primarily due to the multidimensional impacts of mining activities. As a resource-rich region, East Kalimantan has experienced a surge in coal and mineral mining exploitation, but this has not been fully accompanied by improvements in the welfare of local communities. Empirically, the implementation of Community Development and Empowerment (CDC) programs, as a form

of corporate social responsibility, has not fully addressed the needs and potential of the community. While companies have allocated CSR funds for CDC programs, communities are often not actively involved in planning and implementation. As a result, many programs are not aligned with real conditions and lack sustainability.(Sapar & Syafruddin, 2021). Training programs and economic assistance are often ceremonial, not based on in-depth needs analysis or approaches that build economic independence for local communities, as seen in the implementation of the Community Development and Empowerment program around the Coal Mine carried out by PT Mandiri Herindo Adiperkasa, Tbk. As in the following table: (The table is processed based on the implementation of TJSL activities carried out by PT Mandiri Herindo Adiperkasa as stated in the Corporate Social Responsibility Realization Report document for Job Site Indonesia Pratama-PT. Bara Tabang, PT Mandiri Herindo Adiperkasa, 2017 and 2020).

Table Implementation of Social and Environmental Responsibility Through the Community Development and Empowerment Program PT Mandiri Herindo Adiperkasa, Tbk. 2017-2020

Year	PPM Program	Location
2017-2018	Recruiting local workers (Helper Mechanic, Washingman, Safetyman, Checker, Tyreman, etc.)	Senyiur Village, Muai Village, Muara Belinau Village, Ritan Baru Village, Hambau Village, Sidomulyo Village, Kupang Baru Village, Genting Tanah Village, Pulau Pinang Village, Kelinjau Village, and other assisted villages
	Conducting Basic Mechanic Courses (BMC) training program for 20 participants	MHA IP Km 6 Tabang Site and State Vocational School 1 Balikpapan
	Providing Dump Truck operator training for local residents	Tabang Village
	Coordination with vocational schools for the SMK student PKL program	Kembang Janggut District
	1 hectare rice field printing program	Senyiur Village
	Funding assistance for the construction of SMAN 2 Muara Ancalong	Senyiur Village
	Funding assistance for church construction and Christmas activities	Pondok Labu Village, Buluqsen Village, Umaq Dian Village, Kelekat Village, Ritan Baru Village
	Cement and material assistance for the construction of the Baiturahman Mosque and other worship facilities	Senyiur Village
	Donation of 1 AC Unit, as a form of togetherness.	Al Muhajir Mosque Km 6 Bayan
	Participation in repairing the Sebelimbingan-Tuana Tuha Village main road	Kutai Kartanegara
	Participation in the construction of the Km 4 bridge	Senyiur Village
	Relocation funding assistance for Muara Pedoon Village	Tabang District
	Conducting free medical treatment activities for 3 days	Senyiur Village, Muara Kaman District and Muara Siran Village, Muara Kaman District
	Distribution of BPJS Employment compensation funds to workers' families	Caruban City, Madiun, East Java
	Assistance with installation and relocation of Generator Sets for village electricity.	Senyiur Village
	Assistance with sacrificial animals, cows and goats.	Senyiur Village, Long Beleh Modang Village, MHA Camp, Gunung Sari Village
	Funding assistance for the 2nd MUBES for the Dayak Kenyah Lebuq Timai Harmony	Umaq Dian Village

	Participation in blood donation activities	In the operational area of PT. Indonesia Pratama, Tabang
	Medical equipment assistance for Integrated Health Posts (Posyandu)	Senyiur Village
	Transportation funding assistance during the month of Ramadan	Various locations around Tabang
	Assistance with fish seeds and chicks for livestock and fisheries	Senyiur Village
	Pellet machine assistance for animal feed	Senyiur Village
	Attending the Thanksgiving event for the Head of Senyiur Village and coordinating CSR programs with the East Kutai DPRD	Senyiur Village
	Silaturahmi and coordination with the Muara Ancalong Police Chief regarding security as well as the handover of financial assistance for the Police Chief's operational activities in connection with the visit of the East Kutai Police Chief and the East Kalimantan Police Chief.	Muara Ancalong District
	Participation in religious events provides financial assistance for the Indonesian Gospel Tabernacle Church's Christmas celebrations and financial assistance for the Prophet's Birthday, Christmas, MTQ, and traditional events.	Umaq Tukung Village and Kelekat Village and various villages around the operational area
	Funding assistance for traditional village government activities	Long Beleh Modang
	Distribution of Funds for Eid Al-Fitr Allowance Assistance 1438 Hijriah.	Senyiur Village Government, Muara Ancalong District, East Kutai Regency.
	Participation in financial assistance for the 72nd Indonesian Independence Day.	Senyiur Village, Beard Flower, Ancalong Estuary
	Facilitating the change of security personnel from Kodim 0906	PT. MHA Office and Mess, KM 6
2019-2020	Financial support for the inauguration of the DAKUBA mass organization	Senyiur Village, Muara Ancalong District
	Financial Assistance for the 13th General Conference of Pancasila Youth	Senyiur Village, Muara Ancalong District
	Financial assistance for Karang Taruna which is used for the 2019 soccer tournament activities and provides assistance for every traditional activity.	Loa Sakoh Village and Senyiur Village and various villages around the site.
	Assistance in the form of financial support for Christmas celebrations,Isra Mi'raj, Maulid Nabi, MTQand bdonation of sacrificial animals (cows & goats).2019 and 2020.	Tabang District
	Collaboration with PT Bayan Resources, Tbk and other contractors in implementing free medical treatment in several villages around 2019. In 2020, the program was held again.free medical treatment (medical support & medication),kblood donation activities,pdrug counseling & disease prevention andphand washing movement counseling, Posyandu equipment assistance	Tabang, Senyiur, Muara Ancalong, Kembang Janggut Districts
	Community empowerment through capital assistance and agricultural needs which is the 2019 Senyiur Village Integrated Agricultural Program. In 2020 the Company providedAssistance with capital and business materials, providing support for integrated agricultural programs (1 Ha), assistance with chicken & duck seeds and assistance with fish seeds to the surrounding community.	Senyiur Village, Tabang and Muara Ancalong District
	Assistance for Darut It Tihad Integrated Islamic Middle School in the form of providing prayer mats for the prayer room at the school in 2019 and providing bAssistance in the form of books for libraries, assistance with teaching aids for kindergartens/elementary schools, assistance in procuring 3 usable laptops, and also providing character education counseling for junior high and high schools in 2020.	Tabang District.
	Assistance in the form of financial support for the 2019 and 2020 Indonesian Independence Day celebrations	Villages around the company's operations
	Assistance with air conditioning (AC) facilities for the 2019 Koramil mess.	Military District Command Mess, Muara Ancalong

	Assistance in the form of operational funding support for security forces (Police and Joramil) in 2019 and 2020.	Muara Ancalong and Tabang Districts
	Assistance in the form of financial support and loans of heavy equipment for infrastructure development in the form of roads and water channels in 2019. In 2020 the Company provided assistancemosque & church construction materials, assistance in the form of usable mattresses for the Jabal Nur mosque and support for village road repairs, as well as providing assistance in the form of usable mattresses to security forces.	Senyiur Village, Gunung Sari Village, Kembang Janggut Village and various villages around the site.
	Support in the form of financial assistance for KPPS for the smooth running of the 2019 Election	Senyiur Village
	Assistance in the form of operational funding support and vehicle loans to the Police for securing the 2019 Election.	Tabang and Muara Ancalong Districts
	Providing support in the form of facilitating follow-up elections for company workers in 2019.	Tabang Project
	Watering roads to reduce dust, providing assistance to the COVID-19 task force, coordinating with village governments on waste management, and fostering relationships with community leaders.	Senyiur Village, Gunung Sari, Kembang Janggut, Muara Ancalong and Tabang

In the implementation of PPM in 2017-2018, it was seen that the company allocated various activities such as recruitment of local workers (helpers, safety men, washers, tyremen, etc.), basic mechanic training and Dump Truck operators, donations for educational and religious infrastructure, operational assistance for officers such as funds for the Police Chief and THR, to donations of materials and sacrificial animals in various operational villages. Although diverse and seemingly positive, this approach reflects a top-down pattern where programs are determined unilaterally by the company, are ceremonial, and do not reflect the aspirations or concrete needs of the local community. Budget allocations for entities that should receive facilitation from the government such as the construction of SMAN 2 Muara Ancalong, assistance for MUBES II Kerukunan Dayak, THR for security officers were instead placed in the PPM scheme, indicating inaccurate targeting and redundancy of function. PPM funds should be directed to meet the urgent needs of communities not served by government intervention, such as increasing local economic capacity, productive infrastructure, and participatory assistance in accordance with the nine development elements mandated in the PPM regulation (education, health, employment/income, economic independence, socio-cultural, local participation, institutional, and supporting infrastructure) as regulated by the central government rather than as a cross-subsidy to government functions. Thus, instead of creating synergistic collaboration, the realization of this PPM actually deepens the gap between program design and community needs at the village level, and blurs the boundaries between the roles of corporations and the government.

Between 2019 and 2020, the implementation of the Community Empowerment and Development Program (PPM) in mining operational areas continued to exhibit a pattern of intervention that tended to be top-down and ceremonial. The company implemented various activities, as shown in the table. Funding allocations for activities that are actually within the government's domain, such as the construction of secondary schools, operational costs for the police, holiday allowances for village officials, and financial support for community organizations and youth, continued to dominate the PPM program. While these programs appear broad in scope, they were consistently designed and executed without the active role

or deliberative participation of local communities, blurring the distinction between the roles of government and corporations and ignoring real community needs, such as increased productivity, economic independence, or community participation in program design.

Table Implementation of Social and Environmental Responsibility Through the Community Development and Empowerment Program PT Mandiri Herindo Adiperkasa 2021-2024

8 Pillars of PPM	PPM Programs/Activities	Venue
Education (2021-2024)	Library Book & Teaching Aid Assistance. Provision of reading books and educational teaching aids for elementary and secondary schools in villages surrounding the mine.	Kukar (Senyiur Village, Kembang Janggut Village), Kubar (Long Beleh Village)
	Mechanic Training/Apprenticeship Program. Mechanic training for local youth to improve their skills in the field of repair and heavy equipment.	Tabang (New Ritan Village), Kembang Janggut (Kembang Janggut Village)
	BMC Training/Internship (Batch VI-XV). Basic mechanical training and work experience at a mining partner company.	Kubar (Long Beleh Village), Kukar (Kembang Janggut Village)
	Tuition Assistance Scholarship. Tuition assistance for high-achieving and underprivileged students to continue their education to a higher level.	Senyiur Village
	High Achievement Educational Assistance. An award in the form of educational financial assistance for students with high academic achievement.	Buluqsen Village
	PAUD/TK Folding Table Assistance. Provision of folding tables to improve learning comfort for early childhood.	Kukar (Senyiur Village), Kubar (Long Beleh Village)
	Package C Catch-Up Assistance (10 People). An equivalency education program for high school dropouts to obtain a high school diploma.	Kukar (Kembang Janggut Village)
	AKABI Malang Internship (10 People). Internship for local youth to improve their skills in industry and manufacturing.	Collaboration with Training Institutions in Malang
	Rescue Go To School Activities & Basic Firefighting Training. Disaster mitigation education program and basic firefighting training for school students.	Kukar (Senyiur Village), Kubar (Long Beleh Village)
Health (2021-2024)	Free Medical Treatment Activities. Free health checks and medication distribution for village residents.	Kutim (Senyiur Village), Kukar (Kembang Janggut Village), Kubar (Long Beleh Village)
	PHBS and Drug Dangers Counseling. A campaign on clean and healthy lifestyles and the dangers of drugs for the younger generation.	Kukar (Senyiur Village), Kubar (Long Beleh Village)
	Pusban Medical Equipment Assistance. Provision of medical equipment for sub-health centers in villages.	Kukar (Senyiur Village)
	Blood Donation Assistance. The blood donation program collaborates with the Indonesian Red Cross (PMI) to help those in need.	Kukar (Kembang Janggut Village)
Real Income Level or Employment (2021-2024)	Forest Village Participation to Reduce Carbon Emissions. A reforestation program involving communities in village forest conservation.	Kukar (Kampung Baru Village)
Economic Independence (2021-2024)	Vegetable Seed and Organic Fertilizer Assistance. Agricultural assistance to increase local food production and support village food security.	Kukar (Kembang Janggut Village)
	Assistance for native chicken chicks, ducklings, and ducklings. Livestock assistance to improve village livestock farming businesses.	Kutim (Senyiur Village), Kukar (Kembang Janggut Village)

	Goods/Funding Assistance for Food Businesses. Assistance with capital and equipment for small businesses in the culinary sector.	Kutim (Senyiur Village), Kukar (Kembang Janggut Village)
Social and Cultural (2021-2024)	Village Officials' THR Fund Assistance. Incentive assistance for village officials ahead of the holidays.	Senyiur Village
	Assistance for the Construction of Houses of Worship (Mosques & Churches). Financial and material assistance for the construction and renovation of houses of worship.	Kutim (Senyiur Village), Kukar (Kembang Janggut Village)
	Dayak Cultural Assistance. Support for local cultural activities to preserve the cultural heritage of the Dayak indigenous people.	Kukar (Senyiur Village)
Infrastructure that Supports PPM (2021-2024)	Clean Water Facilities Development. Clean water facilities development to improve public access to potable water.	Tukung Ritan Village
	Material Aid for Road Repairs. Material aid to repair village roads damaged by mining activities.	Bearded Flower Village
	Infrastructure Assistance. Procurement of public infrastructure facilities such as bridges and village roads.	Kutim (Senyiur Village), Kukar (Kembang Janggut Village)

In contrast, since 2021, there has been a relatively more consistent shift towards the eight pillars of community development mandated by Indonesian regulations (education, health, employment and income, economic, social and cultural independence, local participation, institutions, and supporting infrastructure).(Erlangga et al., 2025)Programs such as book and educational aid assistance, scholarships for high-achieving and underprivileged students, mechanic training and internships, fire mitigation training, free medical treatment, integrated health service post (Posyandu) health equipment, MSME assistance, livestock grants, and clean water development and road repairs demonstrate progress toward interventions that more directly address community needs and build local capacity.

Thus, despite progress in the 2021-2024 phase, the overall implementation of Community Empowerment Programs (PPM) from 2017 to 2024 still reflects a top-down approach, with limited transparency and community participation in program planning and implementation. This has the potential to reduce the program's effectiveness and relevance to local community needs and weaken accountability, as indicated by a CSR assessment in the Kalimantan mining sector that found weaknesses in public participation, access to information, and transparency between companies and communities.(Putri et al., 2022).

Although many studies have discussed the influence of CSR and PPM on community welfare, the majority are still descriptive and do not delve into the long-term impacts of these programs.(Afkarina et al., 2019). The same thing was also expressed by(Yakin & Santosa, 2024)There have been no longitudinal studies analyzing the extent to which Community Empowerment Programs (PPM) have transformed the economic and social structures of communities over five years. Furthermore, participatory approaches in research are also minimal. Participatory Action Research (PAR) methods have been virtually non-existent in designing or evaluating empowerment programs in East Kalimantan.

The research gap is evident in the lack of studies specifically developing strategies to improve Community Empowerment (PPM) implementation in East Kalimantan, based on collaboration

between local governments, companies, and local communities. Previous studies have focused more on regulatory aspects or impact evaluation, but few have proposed strategic intervention models that integrate participatory approaches, dynamic systems, and cross-sectoral governance.(Verrier et al., (2022)recommends the need for a systems thinking approach in designing a measurable and structured social empowerment model. Regarding the implementation of CSR and community development programs in the Indonesian mining sector, most research still focuses on descriptive evaluation of CSR program implementation or on general policy analysis. Few studies have explicitly developed a strategic model or framework for CSR implementation that is actionable and field-tested, particularly in the unique socio-ecological context of East Kalimantan.

2. Research Methods

This research uses a qualitative approach with a case study research type. *(case study research)* A qualitative approach was chosen because it focuses on understanding complex social meanings and experiences, rather than simply measuring numerical variables. Qualitative research allows researchers to explore phenomena in depth in their natural context, thereby revealing participants' perspectives and the meanings they construct about an event. The primary emphasis of this approach is on depth of understanding, flexibility of method, and close engagement with the sociocultural context of the research.(Saad Ali Al-Sherbiny & Reda Gad Hawass, 2022); (A. Dzogovic & Bajrami, 2023). Several advantages of the qualitative approach are relevant to this research, including: (a) its ability to uncover phenomena that have not been widely researched, especially the dynamics of PPM at the IP Bayan PT MHA Job Site; (b) its ability to handle sensitive issues such as company-community relations and benefit distribution; and (c) its ability to produce theoretically rich findings for formulating contextual strategies. This is in line with new trends in social research that emphasize the integration of qualitative approaches to deepen understanding of the social dynamics thatcomplex(Bieńkowska & Sikorski, 2024).

3. Results And Discussion

3.1. General Description of PT Mandiri Herindo Adiperkasa, Tbk.

1) Company Profile and History

PT Mandiri Herindo Adiperkasa, Tbk. (hereinafter referred to as MHA) is a leading coal mining contractor company in Indonesia that was established in 1992. The company is headquartered in Jakarta and has several operational sites spread across the provinces of East Kalimantan, South Kalimantan, and North Sumatra. MHA is one of the contractors of Bayan Resources Group, one of the largest coal mining business groups in Indonesia whose shares are listed on the Indonesia Stock Exchange (IDX) with the code BYAN. As a contractor company, MHA provides end-to-end coal mining services ranging from overburden removal, coal mining, loading, hauling, to land reclamation to holders of Mining Business Permits (IUP) and Special Mining Business Permits (IUPK).

The Bayan IP Job Site, the focus of this research, operates in Kembang Janggut and Tabang Districts, Kutai Kartanegara Regency (Kukar), East Kalimantan Province. This location is one of MHA's largest operational sites, serving PT Indonesia Pratama (IP), a subsidiary of Bayan Resources Group, which holds the IUP in the region. This operational area borders dozens of villages in Tabang, Kembang Janggut, Muara Ancalong, and Muara Kaman Districts, areas historically inhabited by the indigenous Dayak Kenyah people and transmigrant communities. Operating in a forest area rich in ecosystems and indigenous communities is what makes the implementation of PPM at this site have unique challenges and urgency.

2) Organizational Structure for PPM Implementation

The implementation of the Community Empowerment Program (PPM) at PT MHA is structurally coordinated by the HSE & Community Relations Department, which reports directly to the Site Manager. At the corporate level, CSR/PPM policies are formulated by the Corporate Affairs Division, which coordinates with the Bayan Resources Group. Operationally, the PPM field team at the Bayan IP Site consists of a Community Relations Officer (CRO) and an HSE Coordinator, tasked with implementing, monitoring, and reporting on the program. This team interacts directly with the village government, the Village Consultative Body (BPD), the Community Empowerment Institution (LPM), and community leaders. Based on a review of CSR realization report documents, the PPM implementation structure remains centralized, with program planning largely determined at the corporate or site management level, while community participation is limited (Prasetio et al., 2024; Putri et al., 2022).

3) Operational Area and Characteristics of Target Communities

The operational area of the Bayan IP Job Site covers the mining area and hauling route that crosses several sub-districts in Kutai Kartanegara Regency. The target communities of the PPM program primarily consist of residents of villages within the first and second ring radius of the mining area, namely Senyiur Village, Muara Belinau, Ritan Baru, Hambau, Sidomulyo, Kupang Baru, Genting Tanah, Pulau Pinang, Kelinjau, Tukung Ritan, Muai, Long Beleh Modang, Umaq Dian, Kelekat, and villages in Tabang and Kembang Janggut Districts. Demographically, this community is heterogeneous, including the Dayak Kenyah indigenous community (Lebuq Timai and other sub-groups), as well as migrants from Java, Sulawesi, and other regions who generally entered through the transmigration program. This heterogeneity creates the need for diverse PPM programs, ranging from the recognition of customary rights, empowerment of local farmers, development of MSMEs, to vocational education that cannot be accommodated by a single approach.

3.2. Implementation of the Community Empowerment Program at PT Mandiri Herindo Adiperkasa, Tbk. Bayan IP Site

This section presents the research findings on the first research question (RM-1): "How is the implementation of the Community Empowerment Program (PPM) at PT MHA Job Site IP Bayan?" The findings are based on an analysis of the PT MHA CSR Realization Report 2017-

2024 document (secondary data), reinforced by a review of applicable regulations, as well as related research references to provide analytical context. The analysis includes the evolution of the program, the distribution of the program based on the eight PPM pillars, budgeting patterns, and the quality of community participation in the program cycle.

This section answers the second research question (RM-2): "What factors influence the success or failure of the implementation of the PPM program at PT MHA Job Site IP Bayan?" The analysis is based on triangulation between document findings (CSR Realization Report 2017-2024), regulatory review, and literature framework. Factors are grouped into inhibiting factors and enabling factors, which then become the basis for SWOT matrix verification.

1) Factors Inhibiting PPM Implementation

Based on an in-depth analysis of documents and literature, seven main inhibiting factors were identified that systematically weaken the effectiveness of PPM:

a. Dominance of Top-Down Approaches and Minimal Participation

The most fundamental inhibiting factor is the dominance of a top-down approach throughout the PPM cycle. Programs are planned, budgeted, and evaluated by company management teams without adequate community participation mechanisms. The absence of joint planning forums, community needs discussions, or aspiration mechanisms in reporting documents indicates the absence of a participatory planning culture. This creates a disconnect between designed programs and actual community needs (Tasphi & Sharma, 2024). As a result, programs often fail to address priority community needs, diminishing their sense of ownership and weakening program sustainability (Sambodo et al., 2023). Ironically, the top-down approach, intended to accelerate implementation, is counterproductive, resulting in programs that are poorly targeted and generate social resistance (Rela et al., 2020).

b. Absence of Monitoring, Evaluation, and Impact Assessment Systems

The absence of a measurable, indicator-based monitoring and evaluation (M&E) framework in PT MHA's CSR report is a critical obstacle. Available realization reports emphasize outputs (number of activities, number of beneficiaries) over outcomes (changes in welfare conditions, increased capacity) and impact (long-term structural changes). This aligns with the findings of Prasetio et al. (2024) who showed that only ~35% of Indonesian mining companies have a structured PPM M&E system. Without impact-based M&E, companies lack a feedback mechanism to improve programs, resulting in repeated repetition of ineffective programs, and successful program innovations are not identified for scaling. Wahyuningsih et al. (2023) showed that this condition leads to low public perception of program sustainability, with only 44.79% of the community feeling that CSR programs are implemented routinely and sustainably.

c. Political Capture and Budget Misallocation

As analyzed in subsection 4.2.3, there is a systematic pattern of using Community Empowerment Funds (PPM) for activities that are government functions, such as operational support for security forces, THR (Holiday Allowance) for village officials, and infrastructure development for public schools. This pattern reflects political capture, a condition in which Community Empowerment Programs (PPM) programs are co-opted by the interests of powerful local actors for purposes inconsistent with community empowerment. This misallocation not only reduces the efficiency of PPM budget use but also creates moral hazard, blurring the lines between corporate and government responsibilities and potentially creating institutional dependency on companies among local officials (Saputri et al., 2024). Putra et al. (2024) refer to this phenomenon as "strategic philanthropic capture," which undermines the integrity of the social license to operate.

d. Weak Capacity of Field Companions

An effective empowerment program requires a Community Development Officer (CDO) or field facilitator who possesses both technical competencies (in agriculture, entrepreneurship, and institutionalization) and empowerment competencies (facilitation skills, conflict resolution, and gender sensitivity). Document analysis reveals that training programs such as Community Development Management (BMC), internships, and MSME programs lack structured post-program mentoring. Research by Suma and Chodijah (2023) found that community training programs near mining areas often do not progress to mentoring and market access, resulting in the skills learned not being translated into real income. This reflects the limited capacity of CDOs, which are more focused on managing social relations than on developing sustainable economic capacity.

e. Fragmentation of Coordination Between Stakeholders

The lack of a formal coordination mechanism between PT MHA, village governments, and civil society organizations in the Community Empowerment (PPM) cycle is a significant obstacle. The absence of a multi-stakeholder forum, triadic MoU, or institutionalized dialogue platform creates coordination silos, where company programs run parallel to village development programs (APBDes) and district government programs (APBD), without synergy. Ekowati et al. (2023) found a similar pattern in Bontang, where fragmented coordination between companies, local governments, and communities was a major obstacle to program sustainability. This situation led to program duplication, resource inefficiencies, and communities becoming the target of programs from various parties without coordination.

f. Lack of Gender Integration and Social Inclusion

Analysis of the 2017-2024 PT MHA CSR Realization Report documents shows minimal gender mainstreaming in program design. Women's groups are not explicitly mentioned as targets of economic empowerment programs, except for the processing diversification program (not identified in the MHA Community Empowerment Program), while the majority of technical training (BMC, dump truck operators) is male-dominated. Mustari et al. (2023) and

Pamungkas et al. (2022) show that the neglect of women in Community Empowerment Programs is not only a matter of justice but also an economically suboptimal strategy due to the loss of potential human capital. On the other hand, the Dayak Kenyah indigenous community in Tabang District requires a special approach that respects customary rights (FPIC) and local wisdom, but no programs were identified that specifically address this need.

g. Lack of Long-Term Strategy and Post-Mining Planning

An effective Community Empowerment Program (PPM) should prepare communities not only for the mine's operational period but also for the post-mine closure era. The absence of a comprehensive five-year PPM Master Plan (RIPPM) in PT MHA's documents indicates the absence of a long-term strategic horizon. Verrier et al. (2022) assert that without a clear exit strategy, the PPM program will only create dependency without building structural independence. Given the pressures of the global energy transition, which has the potential to accelerate the decline in coal demand (Putra et al., 2024), the absence of post-mining planning places communities surrounding the Bayan IP site at serious risk of post-mining vulnerability.

2) Supporting Factors for PPM Implementation

On the other hand, there are also a number of supporting factors that can become capital and leverage for improving the implementation of PPM PT MHA:

a. Institutional Commitment and Experience

With over eight years of track record in Community Empowerment (PPM) implementation (2017-2024), PT MHA possesses institutional memory and a significant learning base. The company has built a network of relationships with local communities, village governments, and key stakeholders. This experience represents an asset that can be capitalized on for a transformation toward a more participatory approach, provided there is strong management commitment and a supportive system (Giwangkara et al., 2023).

b. BMC Program as a Proven Flagship

The Basic Mechanic Courses (BMC) program, which has run for over 15 classes, demonstrates PT MHA's capacity and commitment to implementing sustainable, skills-based empowerment programs. This program has produced graduates placed in the mining industry, creating a pathway to social mobility for local youth. The success of the BMC can serve as a model for replication and diversification into other fields relevant to local economic potential, such as agribusiness, forest product processing, or nature tourism (Hasmawati et al., 2024).

c. Extensive External Partnership Network

Collaboration with SMK Negeri 1 Balikpapan, AKABI Malang, and PT Bayan Resources, Tbk. for educational and internship programs demonstrates the company's capacity to build cross-sector partnerships. This network can be expanded and deepened to include Village-Owned

Enterprises (BUMDes), local universities (Mulawarman University, Samarinda State Agricultural Polytechnic), the Department of Agriculture and Animal Husbandry, and microfinance institutions to support a more comprehensive economic independence program (Harinurdin et al., 2025).

d. ESG Trends and Capital Market Pressures

As part of the Bayan Resources Group, listed on the IDX (ticker BYAN), PT MHA is situated within a corporate ecosystem increasingly exposed to ESG demands from institutional investors, credit analysts, and capital market regulators. Global trends indicate that investors are increasingly considering ESG performance, particularly the S (Social) dimension, in their investment decisions (Pacelli et al., 2023). This pressure creates capital market incentives that can encourage top management to substantively improve the quality of PPM, beyond simply meeting minimum regulatory obligations.

4. Conclusion

Based on the research results and discussions presented in the previous chapters, this study produces three main conclusions that answer the three research questions posed. The implementation of the Community Development and Empowerment (PPM) program of PT Mandiri Herindo Adiperkasa, Tbk. at the IP Bayan Job Site, Kutai Kartanegara Regency, East Kalimantan Province, during the 2017-2024 period showed a positive evolution pattern but had not yet reached substantive empowerment standards. Specifically, the following conclusions can be drawn. First, the implementation of PPM has undergone a transformation from Phase I, which was dominated by charity and donation activities (2017-2018), through the Transition Phase (2019-2020), to the Structured Empowerment Phase (2021-2024), which began to accommodate several PPM pillars in accordance with regulations. This development reflects a positive trajectory in the company's orientation toward its social responsibility. Second, despite progress, the implementation of Community Empowerment Programs (PPM) still has serious structural gaps: (a) the program is still dominated by a top-down approach where community participation is at the token level (Levels 2-4 of Arnstein's Ladder of Participation) throughout the planning, implementation, and evaluation cycles; (b) the distribution of programs across the eight pillars of PPM is highly uneven. The Environmental Management Pillar and the Community Institutional Pillar have no structured programs at all; (c) there is a systematic pattern of misallocation of PPM funds for activities that are government functions (security force support, village officials' holiday allowances, and public school infrastructure development); and (d) there is no comprehensive five-year PPM Master Plan (RIPPM), a structured outcome-based M&E system, or an independent formal complaints mechanism. Third, the flagship Basic Mechanic Courses (BMC) program, which has run for over 15 classes, is a tangible achievement demonstrating the company's commitment and capacity to implement skills-based empowerment programs. This program can serve as a model for diversification into other areas relevant to local needs and economic potential.

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