



## The Role of XYZ Company in Tackling Poverty in Salatiga from 2019 until 2021

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### **Abstract**

The COVID-19 pandemic that occurred in 2019 has had an impact on the increasing poverty rate, especially in Salatiga, Indonesia. This has become a concern for the local government to conduct programs that can overcome multidimensional poverty in Indonesia. In this research, we will focus on the role of XYZ Company in tackling poverty in Salatiga through CSR programs. Semi-structured interviews were conducted with managers of XYZ and chief of government departments responsible for CSR and poverty. The results of the interviews and literature study were then analyzed to find emerging themes. Data was collected using triangulated data techniques. Based on the data collected, it can be concluded that there has been an increase in poverty and unemployment during the pandemic. The company's CSR role can be seen from the support and programs conducted from 2019 to 2021. According to the results of the research, it shows that there is a partnership between the local government and the XYZ Company in reducing poverty.

**Keywords:** *Poverty; CSR; Partnership; Covid-19*

### **Introduction**

Poverty is one of the global issues that challenges every country. Globally, around 648 million people are in extreme poverty, earning less than \$2.15 per day (WORLDBANK, 2022). However, a person cannot be considered poor merely because they do not have enough money to live on. Poverty is multidimensional, which in this case involves the income, vulnerability, and insecurity of people or communities, as well as the presence or absence of fulfillment of basic rights and differences in treating living with dignity (BAPPENAS, 2020).

Poverty that occurs globally unites the world's leaders to address this issue. One of the global action plans agreed upon by the United Nations (UN) is called the Sustainable Development Goals (SDGs). In order to promote social, economic, and environmental development, the SDGs comprise a new agreement towards sustainable development based on human rights and equality. This program began in 2015 to be achieved in 2030 with the aim of maintaining the improvement of people's economic welfare, the sustainability of people's social life, the quality of the environment, inclusive development, and the implementation of governance that can continue improving people's quality of life (BAPPENAS, 2019). Considering that poverty is still the main problem in most countries in the world, the first goal of the SDGs is to end poverty. The first goal of the SDGs, to end poverty everywhere in all its forms, has

several main targets that are set to achieve it. However, partnerships and cooperation in various fields are needed to achieve the SDGs' goals, as written in the 17th goal. In the SDGs, partnerships are initiated voluntarily by multi-stakeholders like governments, intergovernmental organizations, multinational companies, groups, and other stakeholders that commit and contribute to the implementation of SDGs (United Nations, 2015). The partnership and cooperation between these multi-stakeholders are important, as they can mobilize, share knowledge, share expertise, share technology, and give financial support to achieve the goals.

Indonesia is one of the 193 countries committed to implementing and achieving the SDGs. Indonesia shows its commitments through *Nawacita*, which is under the coordination of the Ministry of National Development Planning (BAPPENAS), as a national development vision formulated in development policies, strategies, and programs. In Indonesia, poverty is also one of the problems that are still being faced. Indonesia's poverty rate was at its lowest point since 2014 at 9.22% in 2019 (I. BPS, 2021). Unfortunately, the declining poverty rate did not last long. In the same year, a global COVID-19 pandemic occurred and impacted various things. One of the areas affected by this pandemic is the economy. COVID-19 has affected the economic pace of existing communities at both the national and global levels. In fact, more than 3.5 million people lost their jobs during the pandemic (Ramalan, 2021). Due to these issues, the Indonesian poverty rate increased again to 10.14% in 2021 (I. BPS, 2023). This increase began to appear in 2020, as can be seen in Figure 1, because it was influenced by the pandemic. This has raised concern for the national government to conduct programs that can overcome multidimensional poverty in Indonesia.

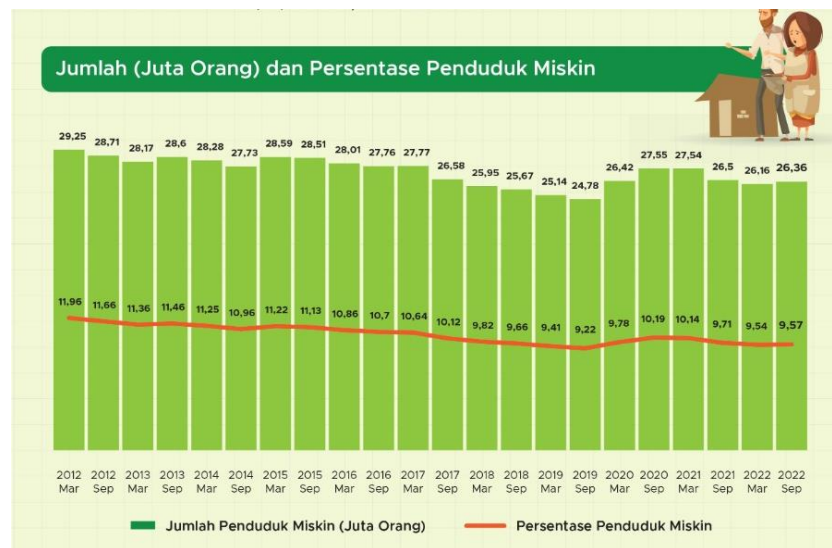


Figure 1 The number and percentage of people living in poverty in Indonesia  
Source: (I. BPS, 2023)

In Salatiga, one of the cities in Indonesia, the poverty rate has also increased due to the pandemic. The poverty rate was 4.76% in 2019 and then increased to 4.94% in 2020 (S. BPS, 2022). This has then become a major concern for the local government in 2019 through 2021. As the percentage of poverty in Salatiga increases throughout those years, the contributions and partnerships of various actors are needed to achieve the first goal of the SDGs.

The SDGs' goals can only be achieved if all actors contribute, including the local government and multinational companies (MNCs) located in Salatiga. One of the MNCs in Salatiga, XYZ Company, has contributed to the local communities through their Corporate Social Responsibility (CSR). XYZ Company is a part of the KMK Group, a company that focuses on exporting shoe products. Located in the

Randuacir sub-district of Salatiga, XYZ Company is owned by investors from South Korea. As an attempt to contribute to the communities around it, they created the CSR COVID-19 Program which was carried out in phases to help the surrounding communities that were affected by COVID-19. Through this program, they provided support by providing a basic food supply of 2 tons rice (Wijayanto, 2021), 50 sets of oxygen cylinders, and 1,000 pieces of hazmat suits (DINKES, 2021), as well as 500 kg of rice for the citizens affected by COVID-19 in the Randuacir sub-district area (Yuli, 2021). Not only providing goods to the people living around it, XYZ Company is also committed to helping the economically affected citizens by hiring new employees, especially for those who live in the Randuacir sub-district. In this research, we will focus on the role of XYZ Company in tackling poverty issues in Salatiga through its CSR. In an institutional neoliberalism perspective, we will observe whether XYZ Company's role has established a partnership with the local government in reducing poverty (achieving goal 1 of the SGDs) in Salatiga.

### Literature Overview

Poverty is a situation where a person lacks the money or other material possessions needed to fulfill their basic needs (Britannica, 2023). In this definition, basic needs can be narrowed down to the necessities required for basic survival, such as food, clean water, shelter, and clothing. However, as the world develops, the necessities of life can be expanded to include access to healthcare, education, and even transportation. In the approach of Multidimensional Poverty Index (MPI) of the UN, poverty is caused by multiple dimensions. The MPI measures poverty across three dimensions—health, education, and standard of living. Which were then divided into 10 indicators: nutrition, child mortality, years of schooling, attendance, cooking fuel, drinking water, electricity, housing, and assets (Nogales, Ricardo; Sebidi, Kgaugelo; Vollmer, 2018) that are grouped as in Figure 2. According to the MPI, a person can be said to be multidimensionally poor when they experience difficulties in one-third or more of the ten indicators (UNDP, 2021). This research will refer to the multidimensional poverty that occurs in Salatiga.

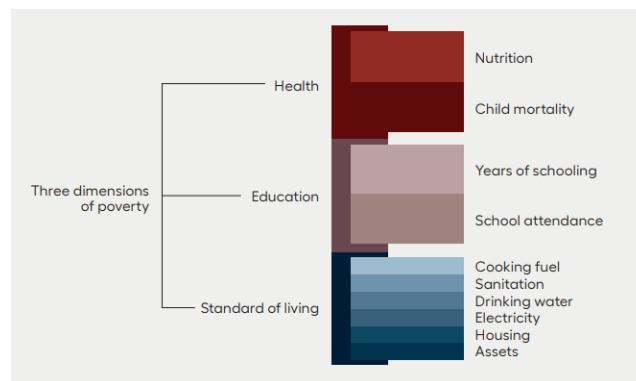


Figure 2 Structure of the global Multidimensional Poverty Index  
Source: (UNDP, 2021)

The European Commission's defines Corporate Social Responsibility (CSR) as the concept whereby companies integrate social and environmental concerns into their business operations and in their interactions with their stakeholders through voluntary actions (Chiraz & Frioui, 2012). CSR is also defined as the commitment of businesses to contribute to sustainable economic development and to collaborate with their employees, their families, and local communities (Ranald, 2002). The idea that underlies CSR is that a business enterprise has an obligation to meet the broader needs of its stakeholders as well as to ensure that it maximizes the positive impact on society (Jamali & Mirshak, 2007). Based on these concepts, the CSR is divided into four parts, namely:

- 1 Economic responsibility: A company is responsible for the economic expectations of society. While doing business, the company does not only focus on its own profits but also benefits the stakeholders by investing and having enough resources to continuously operate (Carroll, 2016). Also, by applying business concepts and a number of professional concepts that focus on long-term financial improvement, it benefits the people who purchase goods or services.
- 2 Environmental responsibility: A company is expected to maintain and conserve the surrounding environment. This includes reducing pollution, waste, natural resource consumption, and emissions through its manufacture, distributions, as well as creating product lines that enhance the values described (Fernando, 2022).
- 3 Ethical responsibility: It aims for businesses to be responsible and responsive to various norms, standards, values, principles, and expectations. These actions reflect and respect what consumers, employees, owners, and communities as consistent with maintaining the morals of stakeholders (Carroll, 2016).
- 4 Philanthropic responsibility: It refers to how a company spends its resources to make the world a better place. It refers to whether the company donates profits to charities or goals they believe in, whether the company only transacts with vendors that align philanthropically, whether the company supports employees' philanthropic efforts, as well as if the company sponsors fundraisers or presents at related events (Fernando, 2022).

### ***Theoretical Framework***

Institutional neoliberal theory is a theory that emerged against the neorealist view, which is based on Robert O. Keohane's idea. Keohane argues that the relationships between countries have interdependencies with each other, therefore countries will form international institutions to deal with problems together. This theory assumes that diversity in the world can influence the behavior of a country. Nevertheless, institutional neoliberalism places the state as the main actor in decision-making in its cooperation with other countries without ignoring the role of international institutions while maintaining world peace (Rachmawati, 2012). In his writing, Keohane argues that institutional neoliberalism has fundamental political authority through political authority that facilitates beneficial corporations between states (R. O. Keohane, 2012). Thus, this theory emphasizes the importance of the role and function of international institutions without getting rid of the role of states' power. Moreover, in its social goals, institutional neoliberalism promotes security, welfare, and human rights to create a more peaceful, wealthy, and fair world (R. O. Keohane, 2012).

International institutions support providing mechanisms that allow a country to achieve optimal benefits from its cooperation. In this perspective, they have a role to help ensure international relations in politics and economy, as well as helping the member states solve their problems (Grieco & Ikenberry, 2003). Specifically, Keohane explains that institutions in this theory have a role in:

- 1) Providing information flow and negotiation opportunities for countries;
- 2) Enhancing the government's ability to observe other powers and implement its own commitments—hence its ability to make credible commitments comes first;
- 3) Strengthen emerging expectations about the solidity of international agreements. (R. Keohane, 2011)

With the role of institutions, it requires proper cooperation and agreement. However, in establishing a cooperation between countries and institutions, a process of changing the behavior without eliminating the existing cooperation objectives is needed.

## **Research Method**

In this research, the methods used are descriptive qualitative. The unit of observation in this study is the role of XYZ Company in reducing poverty in Salatiga from 2019 until 2021. Furthermore, the unit of analysis is the CSR prepared by XYZ Company for poverty during those periods. This research was conducted for three months in 2023.

The data was collected using the data triangulation technique. It involved in-depth interviews, authentic data, and documentary studies to ensure the validity of the data. Primary data sources needed come from direct interviews with XYZ Company, local governments in Salatiga (the Social Department of Salatiga and the Sub-district Administrative of Randuacir), and the authentic data they have. Meanwhile, secondary data sources come from literature study in the form of books, journals, reports, and news obtained from credible sources. Interviews will be conducted with XYZ Company, the Social Department of Salatiga, and the Sub-district Administrative of Randuacir.

The research used semi-structured interviews about CSR and poverty in Salatiga from 2019 until 2021 to collect the data. The company and local government were first informed by contact, then a formal letter was issued to them outlining the goals of research and its question. In-depth interviews were conducted with the manager and head of the division in charge of CSR and poverty. The interviews, which lasted an average of two hours, were conducted using Indonesian language, recorded, and translated into English. The results of the interview and literature studies were then analyzed to discover the developing themes.

## **Result**

During the data collection, the respondents' perspectives on the specific roles in reducing poverty in 2019 to 2021 were explained. Throughout the interviews, respondents tried to explain questions related to "What are the procedures for conducting CSR in Salatiga?", "What role does XYZ Company have in tackling poverty in Salatiga?", and "What relations does it have between the actors involved?". The results of the interviews were then combined with the data obtained through the literature study, which resulted in the following data.

### **Data Obtained from XYZ Company**

The XYZ Company's values are implemented in every activity they do. The basic values they hold are SMART (Simplify, Modernize, Automate, Responsive, Transparent) and SMILE (Sustainably, Multi-culture, Love our people, Excellent). They also use Human Touch Management, which prioritizes humanity in achieving goals, as a guide. The COVID-19 pandemic in Salatiga has led XYZ Company to implement several CSR programs for the affected people. Moreover, they are also determined to help restore the economy in several ways.

During the pandemic, XYZ Company tried to help the local economy. This can be done by not reducing their employees. When many companies dismissed their employees, XYZ Company maintained around 16,000 employees. With so many employees still working during the pandemic, it has an impact on the local citizens' economy. Within this period of time, they helped the local economy by purchasing supplies (food ingredients for the canteen, drink supplies, etc.) for their workers through local shops. Also, nearby food stalls and boarding houses did not experience much loss due to the pandemic, as there were working activities at XYZ Company.

In 2019 until 2021, XYZ Company provided ready-to-eat food support to orphanages in Salatiga. Any newly prepared food that is not eaten by the employees will be packed up and distributed to the orphanages. There are several orphanages to which the food is given, though the name remains

unmentioned by XYZ Company. This support is usually given in turns every day. On 2021, XYZ Company provided support in the form of medical equipment and basic food supplies. The medical equipment which was distributed to local health centers and hospitals includes 1,000 hazmat suits and 50 oxygen tanks. XYZ Company saw that the hospitals in Salatiga lacked these items, because the number of people exposed to COVID-19 increased dramatically. When the items needed decrease, so do the services and medical care for the people of Salatiga. Therefore, these items are needed when dealing with people affected by COVID-19. This then encourages the XYZ Company to help health centers and hospitals to provide these items. Furthermore, the XYZ Company also provides aid in the form of basic food supplies consisting of 2 tons of rice and 1 container of instant noodles, distributed through the local government. This aid was given to the people of Salatiga. In the following phase, they gave 500 kg of rice, particularly to the people in the Randuacir sub-district, which was affected by the pandemic. In Randuacir, the basic food supplies were distributed by the sub-district administrator. The XYZ Company did this with the consideration that the aid provided could be received directly by the people who needed it.

The pandemic has greatly increased the poverty rate in Salatiga. This also encouraged XYZ Company to sign the “Acceleration of the Integrated Poverty Eradication in Salatiga”. “Acceleration of the Integrated Poverty Eradication in Salatiga” is a policy and program of the Salatiga City Government that is implemented systematically, planned, as well as synchronized with the business community and society. This is designed to reduce the number of poor people in an attempt to improve the degree of people’s welfare (PERWALI, 2021). The policy will be implemented for 5 years since it was enacted. Based on the policy, XYZ Company created several programs that were aligned with their values. Considering that a lot of people have lost their jobs due to the pandemic, the XYZ Company has provided new job opportunities. The first recruitment was in March 2021, and it was prioritized for Randuacir sub-district citizens. More than 100 citizens participated in this recruitment. This was held at the Randuacir sub-district office hall and collaborated with the sub-district workers to provide information to the citizens in need. The XYZ Company also opened numerous job vacancies for the public at the end of 2021. The recruitment process is conducted through their website. With the reduction of unemployment, they expect that it will improve the economy in Salatiga. According to the policy, they also collaborate with several vocational schools and university by providing work training. These trainings are provided to ensure the students become professionally prepared once they graduate. Through this policy, XYZ Company also provides scholarships to several high performing students who are economically inadequate from elementary to senior high school. However, there is no explanation of how many children received this scholarship. By providing this scholarship, XYZ Company hopes to reduce the financial burdens of the scholarship recipients and decrease the number of students who leave school due to a lack of money.

The activities and programs listed above are based on the company’s value. According to that, there is a research team at XYZ Company that conducts researches related to what is needed by their neighborhoods or citizens in Salatiga, which aligns with the value they have. When the company has found the results of their research, they will develop an activity proposal to be submitted to the leader. Activity proposals that have been approved will be organized by the relevant field. Yet, the activities or programs they conduct do not always come from the research team. Some of them might have come from government institutions, organizations, schools, etc. to be conducted. The results of all activities and programs performed will be evaluated according to the indicators that they have. If in the evaluation they do not meet the indicators of accomplishment, then they will not conduct the activity or the program. In this interview, the researcher also asked about the targets of their CSR outcomes, or whether these programs were carried out specifically for people in multidimensional poverty. Instead, the XYZ Company only stated that the majority of the target programs conducted in 2019 until 2021 were aimed towards the people affected by COVID-19.

## Data Obtained from the Social Department

The Social Department is a government institution responsible for assisting the Mayor in implementing matters concerning the social sector within the regional authority. The Social Department has several responsibilities related to data collection, monitoring, and empowering Social Welfare Services (PPKS). They are also involved in monitoring CSR related to PPKS.

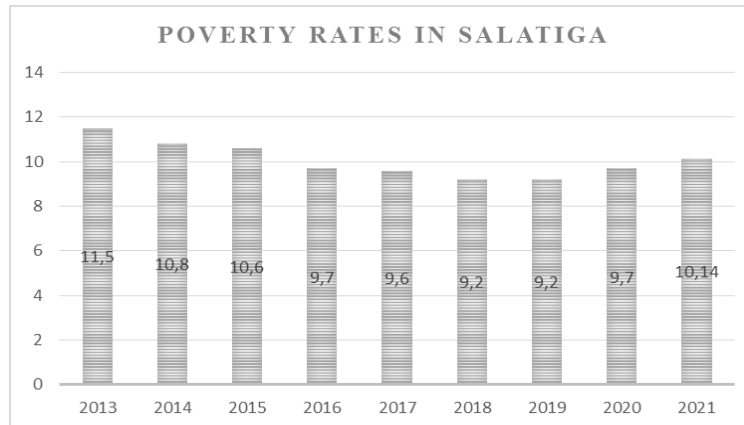


Figure 3 Poverty Rates in Salatiga  
Source: (S. BPS, 2022)

Based on the collected data, there has been an increase in poverty and unemployment rates in Salatiga during the pandemic. According to Figure 3, the poverty rate percentage increased gradually from 2019 to 2021. The highest increase in the poverty rate was in 2021. The increased poverty rate also corresponds to the increase in the unemployment rate. As seen in Figure 4, the highest rate of unemployment occurred in 2020, which reached 7.44%. This is driven by the increasing number of people who are jobless and looking for work, people who are unemployed and preparing a business, people who are jobless and not looking for work, and people who already having a job yet have not started working (I. BPS, 2019) during the pandemic. The percentage growth in these two sectors has influenced the number of PPKS in Salatiga.

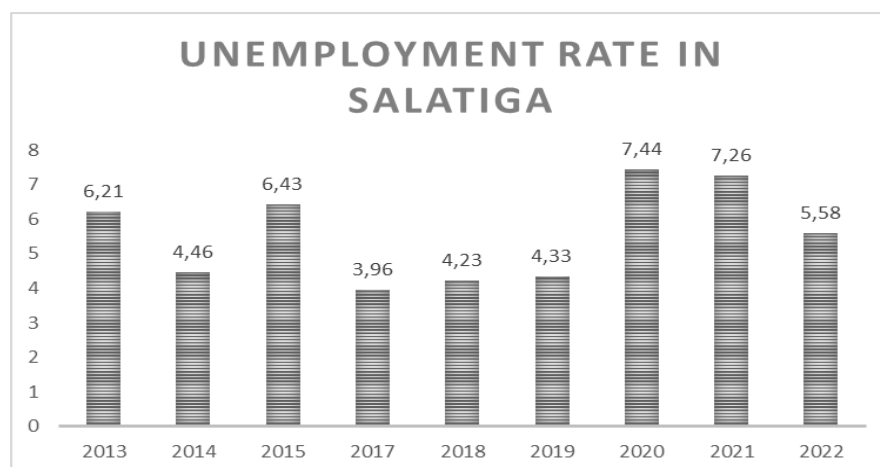


Figure 4 Unemployment Rate in Salatiga  
Source: (BPS, 2022)

PPKS are individuals, families, groups, and/or communities which due to an impediment, difficulty, or disturbance, are unable to fulfill their social functions so that their physical, spiritual, and social needs cannot be fulfilled adequately and reasonably (Dinas Sosial Provinsi Jawa Tengah, 2021). These impediments, difficulties, and disturbances may have the form of poverty, neglect, disability, social disabilities, as well as sudden environmental changes with less or disadvantageous support. According to the Indonesian Ministry of Social Welfare, there are 26 types of PPKS, which include: neglected children, children who are against the law, stray children, children with disabilities, children who become victims of violence or mistreatment, children who require special protection, neglected elderly, disabled persons, prostitutes, homeless, beggars, scavengers, minority groups, former prisoners, people with HIV/AIDS, victims of drug abuse, victims of trafficking, victims of violence, migrant workers with social issues, victims of natural disasters, victims of social disaster, socio-economically vulnerable women, poor people, socially and psychologically deprived families, and remote indigenous community (Dinas Sosial Provinsi Jawa Tengah, 2021). PPKS then becomes the priority target of the Social Department for providing assistance in the form of goods, funds, or training.

In Salatiga, the implementation of CSR is under the Regional Regulation of Salatiga Number 30/2018. According to this regulation, companies are responsible for improving social welfare, maintaining a sustainable environment, and empowering local economies (PERDA, 2018). The procedure for preparing a company's CSR and who is involved in it are also addressed in the regulation. Based on the regulation, a company needs at least one partnership with local government institutions to do their CSR. Therefore, companies in Salatiga are expected to join the CSR Forum. This forum will facilitate communication and provide needed information between the companies and the local government. It is also useful for the local government to organize the companies to avoid overlapping in their CSR. Unfortunately, the forum was reactivated in mid-2022 despite being established since the enactment of the 2018 Regional Regulation of Salatiga.

Based on Social Department data, in 2022 XYZ Company joined the CSR Forum in Salatiga. Yet, the Social Department stated that XYZ Company has been implementing its CSR independently since they started operating in Salatiga until now (in 2023). This means that XYZ Company has not yet coordinated with the Social Department in implementing their CSR. Due to this, the Social Department is only partially aware of some of XYZ Company's CSR through the recipients of their CSR. Some of the CSR known by the Social Department in 2019 to 2021 were medical equipment supports, basic food supplies, and the ready-to-eat food which was provided every day to orphanages in Salatiga. Unfortunately, the Social Department did not provide further information regarding the names and the number of orphanages that received food from XYZ Company. In addition, in late 2021 XYZ Company requested data related to PPKS in Salatiga to the Social Department Office, yet it remains unknown for what purpose the data was used.

### **Data Obtained from the Randuacir Sub-District**

Interviews with the representative of the Randuacir Sub-district Officer were conducted to match the results obtained from XYZ Company's interview. Based on the results of the interviews, they confirm that XYZ Company provides support in the form of basic necessities to the citizens of Randuacir who are affected by COVID 19. XYZ Company handled around 20 food packages for the Randuacir sub-district. This support is distributed to families in need based on data obtained by the administrative office of the sub-district. During the employee recruitment conducted for Randuacir citizens, XYZ Company submitted a proposal to the Randuacir Sub-district Administrator. Upon its establishment, the sub-district administrative office was involved in providing information to people in need and helping them reach out to people who were accepted to work at XYZ Company. The Randuacir Sub-district officer also stated that XYZ Company often helps by providing prizes and souvenirs when they conduct events in Randuacir. Moreover, they even had discussions related to what infrastructure is needed to support the



welfare of Randuacir citizens. Unfortunately, the discussion did not continue until 2023 due to differences of opinion among several community leaders in the Randuacir Sub-district.

## ***Discussion***

Based on the data that has been collected, the CSR goals conducted by XYZ Company can be seen from the support and programs conducted in 2019 to 2021. Despite not being specifically explained, this support is given to people who are unable to fulfill their daily needs due to pandemics. A comprehensive look at XYZ Company's CSR targets includes not only people in these categories, but also public health in general and children who have difficulty attending school during this period. From the targets of CSR, it can be concluded that they can be categorized as people who experience multidimensional poverty due to the pandemic. They can be categorized based on the fact that during the mobility restrictions of the pandemic, they experienced vulnerability and deprivation in two of the three MPI dimensions—health, education, and standard of living. So how is unemployment related to this, which also becomes the CSR target of XYZ Company? When someone is unemployed unexpectedly, they are no longer able to earn an income to fulfill their daily needs. This can impact the family or the existing community in a multidimensional way. For those who are responsible for sustaining their families, they will experience vulnerability in fulfilling their living expenses and school tuition costs. Eventually, this will lead to multidimensional poverty.

In 2019 until 2021, XYZ Company's role in reducing poverty is by providing assistance in the form of goods, training, and the absorption of employment. This role is conducted as part of the company's CSR fulfillment. They provide support in the form of basic necessities that are needed during this period. Supports in the form of rice and instant noodles were provided with the consideration that rice is the staple food for Indonesian people. Limited mobilization during the pandemic and the large number of people who were terminated from work, resulted in many people in Salatiga having difficulties fulfilling their basic needs at that time. The company also played a role in the fulfillment of medical equipment in the form of hazmat suits and oxygen tanks. The spike in COVID-19 patients in Indonesia, especially in Salatiga, has increased the demand for these two items. In order to treat patients affected by COVID-19, medical personnel must use hazmat suit to prevent its spread. On top of that, COVID-19 patients also need additional oxygen to help them with their breathing. This sudden spike in demand has made the item limited and increased its price. Whereas when the things that are highly needed unavailable, the vulnerability of the fulfillment regarding general public health will also increase. Moreover, the price spike on medical equipment can lead to the inability of some underprivileged citizens to provide good health facilities for themselves and their families. Then, the roles given by XYZ Company indirectly have an impact on the fulfillment of social welfare.

Through other programs, XYZ Company plays a role in providing a platform for people who do not or have no work during the pandemics. Due to the large number of people dismissed from their jobs suddenly due to the pandemic, there was an increased number of people who could not fulfill their daily needs. In addition, when there are people whose families or themselves are affected by COVID-19, medical expenses beyond insurance coverage, such as swab tests, antigen tests, vitamins, oxygen tanks, etc., can burden their expenses. Thus, XYZ Company opens job recruitments so that the unemployed can continue fulfilling life's necessities. By offering job vacancies, people who previously did not have a steady income and decent work will also have the opportunity to improve their lives. Having less unemployment in Salatiga can decrease the number of people who are inadequate or multidimensionally poor. Besides that, with the commitment not to dismiss any employees during the pandemic, XYZ is maintaining the welfare of the employees' lives. Subsequently, the economic pace in Salatiga, which was weakened by the pandemic, is expected to revive along with the decreasing unemployment. Moreover, the role of XYZ Company in reducing unemployment in the future can be seen in the training given to the students in Salatiga. Students who have been trained and are ready to work will be more competent and

experienced. Hence, the possibility of a person being employed will be higher compared to before. Although they may not work for someone or a company in the future, the experience they gained can lead them towards developing a new entrepreneurial endeavor.

So then, how does XYZ Company play a role if it's seen through the lens of institutional neoliberalism? Based on the research conducted, it appears that there is an emerging partnership between XYZ Company and the Salatiga Government. The partnership between the XYZ Company and the government of Salatiga is established in order to achieve the welfare of the society, especially on poverty eradication from 2019 to 2021. Based on the findings, partnership does not require a specific agreement, but it can also be seen through the interaction between the actors. The partnership can be observed indirectly when the two actors provide information to each other, prepare programs for the people, or even provide support needed by either actor.

In terms of the partnership described, there are numbers of partnerships that have been established in XYZ's relationships with the Salatiga government. One of the partnerships that XYZ Company has with the Salatiga Government was by signing the "Acceleration of the Integrated Poverty Eradication in Salatiga" in 2021. Through signing the policy, XYZ Company is responsible to help reduce poverty in Salatiga based on the regulation. This responsibility is then implemented in XYZ's CSR programs. Meanwhile, the Salatiga Government is also responsible for facilitating the company by supporting its efforts to eradicate poverty. Under this policy, the government is responsible for supervising, monitoring, and coordinating every activity to ensure it reaches the right target.

In the indirect partnership, it could be seen through the relationship between XYZ Company and several government institutions in Salatiga. Despite the partnership not being officially stated in an agreement, mutualism exists in the relationship between XYZ Company and Randuacir Sub-district Administrator as well as the Social Department. If the relationship with the sub-district did not exist, then XYZ could not conduct research and implement its CSR for the neighborhood. Also, without the support from XYZ Company, the citizens of Randuacir would have difficulties in fulfilling the welfare of its people during the pandemic. The Sub-district Administrator then becomes a connector between XYZ and the neighborhood. Both of them will mutually support each other to achieve social welfare based on their values. We can also see this type of partnership in XYZ's relationship with the Social Department of Salatiga. It can be seen through how the Social Department provides information related to PPKS for XYZ. Sadly, the findings show that the preparation and implementation of CSR are being done independently by the XYZ Company. As a result, the Social Department Office cannot validate the results of the activities conducted by XYZ from 2019 to 2021 outside "Acceleration of the Integrated Poverty Eradication in Salatiga". Moreover, the Social Department Office cannot directly confirm whether the support provided during this period was given directly to the affected citizens.

## ***Conclusion***

The COVID-19 pandemic that occurred from 2019 has impacted on increasing poverty, especially in Salatiga. The economy is stagnated due to pandemic, resulting in Salatiga citizens facing difficulties in fulfilling their lives. In an attempt to reduce poverty in Salatiga, a multinational company located in the city, named XYZ, conducted its CSR. XYZ role in reducing poverty is through providing basic necessities needed by the citizens during the pandemic, providing job training, and providing new work opportunities. Their role has also led to a partnership with the Salatiga Government. As a result of this partnership, the Salatiga Government and XYZ Company support each to improve the welfare of the citizens during the pandemic. XYZ's commitment to contribute to poverty reduction in Salatiga is reflected by signing government policies to reduce poverty. However, more in-depth research is still needed regarding the role provided by XYZ and its actual impact on the existing poverty rate. The independent implementation of CSR by XYZ and the limited data related to CSR achievement creates

limitations on the depth of data obtained. Therefore, further research is needed to ensure the roles performed by XYZ.

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