

THE AUTHORITY OF BANK INDONESIA AS A STATE INSTITUTION IN THE DISTRIBUTION OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

Lilik Rosita Sari¹, Budi Endarto²

Universitas Wijaya Putra, Jl. Benowo Indah No.1-3, Surabaya, Jawa Timur, Indonesia

¹e-mail: rositaahmad182@gmail.com

²e-mail: budiendarto@uwp.ac.id

Abstract

Corporate Social Responsibility (CSR) or Social and Environmental Responsibility (TJSL) constitutes a legal obligation imposed on companies as part of their responsibility toward society and the environment. Normatively, CSR regulation in Indonesia is directed toward limited liability companies, particularly those operating in sectors related to natural resource utilization. However, recent developments have raised legal questions about the implementation of CSR-like programs by Bank Indonesia, an independent state institution. This study employs normative legal research using statute, conceptual, and case approaches. The findings demonstrate that CSR or TJSL obligations are explicitly regulated under Law No. 40 of 2007 concerning Limited Liability Companies, Government Regulation No. 47 of 2012, and the Minister of State-Owned Enterprises Regulation No. PER-05/MBU/04/2021. Conversely, Bank Indonesia is governed by Law No. 23 of 1999 as amended by Law No. 6 of 2009 and is not a corporate entity subject to CSR obligations. From an administrative law perspective, the absence of explicit attribution of authority indicates that the implementation of CSR by Bank Indonesia exceeds its statutory mandate. This study highlights the normative boundaries of administrative discretion and contributes to legal discourse by examining CSR practices within non-corporate state institutions.

Keywords: Authority; State Institutions; Corporate Social Responsibility; Bank Indonesia.

INTRODUCTION

Corporate Social Responsibility (CSR), or Tanggung Jawab Sosial dan Lingkungan (TJSL), is a corporate obligation to assume social and environmental responsibilities. It represents a form of corporate commitment to contributing to community welfare and environmental sustainability. (Trisha & Putri, 2025) CSR has gained tremendous importance following corporate scandals, financial crises, and the rise of a hyper-competitive global environment. In this context, firms are required to address the interests of multiple stakeholders to enhance firm value. (Farooq et al., 2024). More broadly, in the contemporary era, the implementation of CSR contributes to corporate value creation, particularly in

responding to climate-related challenges. (Mohy-ud-Din et al., 2025).

Ethics in the corporate sphere reflects beliefs about the distinction between right and wrong, which in turn influences various operational aspects of a company. Whether an action is ethical largely depends on individual value systems, moral principles, and prevailing social conditions. In this regard, CSR represents an institutional commitment to carrying out activities that generate social benefits, address societal challenges, and optimize the welfare of employees, consumers, shareholders, communities, and the public at large. (Hakim et al., 2022)

As public awareness of CSR's importance in supporting development increases, interest in CSR initiatives continues to grow. CSR embodies not



This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

* Received: 28 November 2025, Received in revised form: 2 February 2026, Accepted: 19 February 2026

Doi: 10.3376/jch.v10i2.1257

only an ethical responsibility but also a corporate strategy that requires companies to actively provide beneficial support to communities and the environment within their operational areas. The principle of CSR does not merely prioritize corporate profit, but also emphasizes accountability to interested parties, including consumers, employees, local communities, and the surrounding environment.

In accordance with the prevailing legal framework in Indonesia, CSR or TJSL has been established as a mandatory obligation for business entities, including companies. Broadly construed, CSR aims to enhance the capacity and quality of the population, both individually and collectively, in addressing social issues, while also supporting the preservation and sustainability of the environment. CSR may further be regarded as an initial stage in managing corporate expenditures and profits derived from business activities. This process involves various stakeholders, both internal, such as employees, shareholders, and investors, and external, including regulators, communities, civil society groups, and other corporations. (Mulada et al., 2025).

A strong correlation exists between CSR practices and the Indonesian constitutional framework, particularly the 1945 Constitution, which places public welfare as a primary objective of national development. Article 33, paragraph (3), stipulates that land, water, and natural resources are controlled by the state and used for the greatest prosperity of the people, thereby imposing social responsibility on business entities that benefit from these resources. Furthermore, Article 33, paragraph (4), emphasizes an economic system grounded in economic democracy, sustainability, environmental awareness, equity, and principles of national unity, which may be operationalized through CSR programs. (Asshiddiqie, 2015).

Additionally, Article 28H paragraph (1) guarantees every person the

right to physical and spiritual prosperity and to a good and healthy environment, while Article 34 paragraph (2) underscores the state's obligation to empower disadvantaged and underprivileged communities. These constitutional provisions form an integral part of the national legal hierarchy and demonstrate the alignment of CSR with the constitutional ideals articulated in the Preamble of the 1945 Constitution, particularly Indonesia's commitment to achieving social justice for all.

From a constitutional perspective, the Constitution's overarching purpose is to promote fairness and equality for all citizens of Indonesia. The concept of civil society and the pursuit of social justice constitute core functions of the social constitution. Consequently, the 1945 Constitution may be characterized as a constitution oriented toward social welfare and justice. Beyond its economic and social justice dimensions, the Constitution is also recognized as a social welfare constitution, as reflected in Chapter XIV, formerly known as the social justice chapter. (Asshiddiqie, 2015).

Normatively, provisions concerning TJSL/CSR were absent from Law No. 1 of 1995 on Limited Liability Companies, which primarily regulated corporate structure and operational mechanisms. However, alongside the evolution of corporate law paradigms emphasizing sustainability and the social function of companies, CSR provisions were explicitly introduced in Law No. 40 of 2007 on Limited Liability Companies. Article 74 mandates that companies engaged in natural resource-related activities implement social and environmental responsibility as an inherent legal obligation. Subsequent legislative developments, including Law No. 6 of 2023 on Job Creation, do not introduce new provisions concerning CSR, thereby maintaining the

applicability of the 2007 Company Law and its implementing regulations.

The obligation to implement CSR under Law No. 40 of 2007 applies to companies as corporate legal entities. Nevertheless, a significant legal issue has emerged in relation to the alleged misappropriation of CSR funds by Bank Indonesia, which is currently under investigation by the Corruption Eradication Commission (KPK) (Defiyan, 2025). Bank Indonesia exercises its authority as a financial system supervisor, with a mandate to maintain monetary stability, through financial policy formulation, management of the financial system's transaction systems, and oversight of financial system stability. (Indonesia, n.d.).

Under Law No. 23 of 1999, as amended by Law No. 3 of 2004, Bank Indonesia is authorized to regulate and supervise financial and banking activities. (Wowor et al., 2025). However, the KPK is conducting an in-depth review of Bank Indonesia's authority to distribute CSR or TJSL funds, given its institutional status as a central bank rather than a limited liability company. Consequently, Bank Indonesia is not expressly subject to CSR obligations under the prevailing statutory framework.

The Corruption Eradication Commission (KPK) is conducting an in-depth review of Bank Indonesia's authority in distributing Social and Environmental Responsibility (TJSL) funds, also known as CSR. BI's institutional status makes it a central bank, not a limited liability company. Therefore, neither party has a legal obligation to distribute CSR funds under prevailing regulations.

The implementation of CSR policies by Bank Indonesia raises fundamental legal questions concerning the principle of legality, institutional authority, and accountability in public financial management. The absence of explicit statutory authorization for such

policies necessitates a critical examination of the legal basis and governance mechanisms underlying their execution, particularly in light of the alleged involvement of members of the House of Representatives and third-party foundations. (Ilham & Adi, 2024).

Based on the foregoing, this study aims to formulate legal arguments regarding the concept and regulatory framework of CSR/TJSL within the Indonesian legal system and to analyze the legal authority of Bank Indonesia in implementing CSR policies. This research is expected to contribute to the development of institutional legal discourse and the strengthening of CSR governance in Indonesia. (Haryanti & Danu, 2025).

RESEARCH METHODS

This research employs a normative legal research method, focusing on the analysis of legal norms contained in statutory regulations, legal doctrines, and relevant court decisions. (Suteki, 2020) (Irwansyah, 2021). Normative legal research is conducted by examining written legal materials to understand the regulation of Corporate Social Responsibility (CSR/TJSL) and the legal authority of Bank Indonesia within the Indonesian legal system. (Endarto et al., 2025).

The approaches used in this study are the statutory, conceptual, and case approaches. (Dina, 2024). The statute approach is applied to examine laws and regulations related to CSR/TJSL and the institutional authority of Bank Indonesia. The conceptual approach analyzes the legal concepts and principles underlying CSR and state authority. In contrast, the case approach examines relevant cases concerning the implementation and distribution of CSR by Bank Indonesia, a state institution. (Sholikhah, 2024).

RESULTS AND DISCUSSION

The regulatory concept of Corporate Social Responsibility (CSR) within the legal system and legislation in Indonesia

Since the early 1970s, CSR has been recognized as a set of policies and practices reflecting a commitment to ethical values, stakeholder interests, legal compliance, community engagement, and environmental preservation. CSR is not merely a part of business activities (Sumarto et al., 2024). This can be traced back to the work of John Elkington in his book entitled “Cannibals With Forks: Triple Bottom Line in 21st Century Business,” in which he introduced the concept of CSR. Furthermore, Elkington also organized CSR around three focuses known as the Triple Bottom Line (TBL), also referred to as the 3Ps. This concept maintains a balance between a company's attention to profit, society, and the environment. The Triple Bottom Line concept originates from the old capitalist idea of corporate profit as the bottom line, which has caused harm to humans and the environment. Nevertheless, this concept is considered imperfect because it is still worldly in nature. (Sahib et al., 2023).

The concept of CSR itself is normatively regulated under Law No. 40 of 2007 concerning Limited Liability Companies. In recent discourse, a concept has emerged asserting that companies, as entities operating within society, have responsibilities regarding various social issues facing surrounding communities. Therefore, the smoothness and sustainability of a company's operations heavily depend on the conditions of the society and environment around it. Companies must have a concern for their communities. Business is inseparable from, and has an obligation to fulfill, the public interest.

In conducting its business operations, the corporation is expected not only to pursue profit but also to engage in environmental preservation and community welfare, responsibilities that

form part of its mandate. Through CSR, the corporation is expected to consider social and environmental aspects in every stage of its operations, from procurement and product distribution to consumer engagement, and to engage in practices such as sustainable business operations, environmental protection, and employee welfare. Integrating CSR principles into corporate strategy and operational practices demonstrates an organization's commitment to attaining sustainable outcomes that harmonize profitability with social responsibility and environmental conservation. CSR practices may include using sustainable raw materials, more efficient waste management, reducing carbon emissions, and providing balanced and secure work environments for employees. Moreover, CSR also requires companies to establish ethical and transparent relationships with all stakeholders, government institutions, distributors, customers, and the wider community. (Ihsanul Windasari, 2024).

The company's concern about economic, social, cultural, and environmental issues in its surroundings has been increasing, while also taking into account social norms and human rights principles. This has led to a growing awareness of the importance of CSR. This phenomenon has evolved into a prevailing trend in the business sector, manifesting at both national and international levels (Disemadi & Prananingtyas, 2020). Companies' active participation in sustainable economic development is reflected in their commitment to CSR practices. The central aim of this commitment is to establish conditions that generate benefits for both the corporation and the surrounding community and social environment, while simultaneously enhancing the integrity of life as a target to be achieved. This effort is undertaken to prevent the community from becoming dependent on the company's presence. Therefore, the development of human resource quality is crucial for enabling the

surrounding community to lead an independent and sustainable life.

This approach aims to prevent communities from becoming dependent on corporate presence by strengthening human resource capacity to support independent, sustainable livelihoods. Normatively, CSR or Social and Environmental Responsibility (TJSL) in Indonesia has been comprehensively regulated through various legal instruments, ranging from the Limited Liability Companies Law to its implementing regulations. However, the existence of detailed regulatory frameworks does not automatically ensure the effectiveness of CSR implementation in practice.

Therefore, a normative legal analysis is necessary not only to describe the applicable legal provisions but also to evaluate the extent to which these norms function as legal instruments that promote social justice, environmental protection, and business sustainability. In this context, CSR should not be considered merely an administrative corporate obligation, but rather a legal construct with direct implications for legal certainty, corporate accountability, and the fulfillment of the public interest. (Hariri & Arifin, 2023).

Consequently, CSR has become a requirement under Law No. 40 of 2007 concerning Limited Liability Companies, which has been in effect since August 16, 2007. It is mentioned in Article 74:

1. "Companies engaged in business activities in the field of, and/or related to, natural resources are required to carry out social and environmental responsibilities."
2. "Social and environmental responsibilities as referred to in paragraph 1 are obligations of the Company, which are budgeted and accounted for as Company expenses, and their implementation is carried out by considering propriety and fairness."

3. "A company that fails to fulfill the obligations referred to in paragraph 1 shall be subject to sanctions in accordance with the laws and regulations."

4. "Further provisions regarding social and environmental responsibilities are regulated by government regulations."

With Article 74 of Law No. 40 of 2007 concerning Limited Liability Companies, the government aims to strengthen companies socially. This effort is motivated by the frequent issues between companies and residents in their operational areas. Nevertheless, the implementation of CSR in Indonesia still faces several challenges. The main challenges that often arise include a lack of understanding and awareness among companies of the true concept of CSR, low corporate commitment in implementing CSR programs, and the ineffectiveness of evaluation and oversight mechanisms among various stakeholders. (Qawi et al., 2025)

Based on the construction of Article 74 section (1), the implementation of corporate social responsibility obligations aims to promote an equitable and harmonious relationship between the company and the community in its vicinity, consistent with prevailing values, norms, and local traditions. Within this framework, the term "company" denotes a business entity engaged in activities involving the management or exploitation of natural resources as part of its operational practices. The company in question is not limited to enterprises that directly manage biological and non-biological wealth; it also includes companies whose activities affect the function and capacity of such natural resources. Meanwhile, the explanation of Article 74 paragraph (3) states that fines imposed for violations of CSR obligations refer to all penalties already regulated in the prevailing laws and regulations.

In addition to being regulated in Article 74 of Law No. 40 of 2007

concerning Limited Liability Companies, provisions related to CSR are also stipulated in Article 2 of Government Regulation No. 47 of 2012, which states that "every company as a legal entity has social and environmental responsibilities," a duty that can be understood as responsibility towards the surrounding community, such as supporting the economy and improving the living standards of residents through CSR. The welfare of a nation depends on the strength of its economy. The affirmation in Article 33 of the 1945 Constitution states that sectors of public interest are under state control. This control provides a foundation for the government to more easily realize the goals of comprehensive social welfare (Zaenal et al., 2024).

According to Article 3 of Government Regulation No. 47 of 2012 on Social and Environmental Responsibility (TJSL), also referred to as CSR, Companies involved in natural resource activities are legally bound to comply with its provisions, including responsibilities both within and beyond the corporate environment. Furthermore, Article 4 requires the board of directors to implement TJSL or CSR in accordance with the company's annual work plan, which requires prior authorization from the board of commissioners or the General Meeting of Shareholders (GMS), as set out in the articles of association. This annual work plan subsequently specifies the programs to be undertaken and details the financial resources allocated for the realization of TJSL or CSR initiatives.

Article 5 of Government Regulation No. 47 of 2012 stipulates that companies engaged in business activities within sectors connected to natural resources, when formulating and determining their activity plans and budgets, must take into account the principles of fairness and reasonableness. Moreover, the expenditure allocated to

implementing social and environmental responsibility programs is recognized as part of the company's operating costs. Article 6 of Government Regulation No. 47 of 2012 states: "The implementation of social and environmental responsibility is included in the annual report and is accountable to the General Meeting of Shareholders (GMS)." Article 7 of Government Regulation No. 47 of 2012 states: "Companies that do not engage in TJSL or CSR activities are subject to sanctions in accordance with the prevailing laws and regulations."

Furthermore, CSR arrangements are specifically regulated for State-Owned Enterprises (SOEs). As a company owned by the state, an SOE has social responsibilities or CSR that must be carried out and always has a basic budget every year, which is already regulated under Ministerial Regulation No. 05/MBU/04/2021. In Article 1, number 1 of Ministerial Regulation No. 05/MBU/04/2021, it is stated that "State-Owned Enterprises (SOEs) are business entities whose entire or majority of capital is owned by the state through direct investment derived from separated state assets." Meanwhile, in Article 1, number 2, it is stated that "A Limited Liability Company, referred to as a Corporation, is an SOE established as a limited liability company whose capital is divided into shares, with all or at least 51% (fifty-one percent) of the shares owned by the Government of the Republic of Indonesia, with the primary objective of pursuing profit".

Article 1, number 10 states, "A state-owned enterprise (SOE) subsidiary is a limited liability company in which the majority of shares are owned by an SOE or a limited liability company controlled by an SOE," while Article 1, number 12 states, "The SOE CSR program refers to activities that constitute the Company's commitment to sustainable development and provide benefits to the economy, society, environment, as well as legal and

governance aspects with principles that are more integrated, directed, measurable in impact, and accountable, and is part of the Company's business approach". Article 2 states, "State-Owned Enterprises (SOEs) are required to implement the SOE TJSL program in accordance with the provisions regulated in this ministerial regulation." Article 3 explains the objectives of the SOE TJSL program, stating that the program must provide benefits for environmental and social development, as well as the improvement of regulation and corporate management. It should offer advantages that create added value for the corporation through integrated, focused, and clearly influential provisions that are accountable, help small entrepreneurs become stronger and more independent, and benefit the corporation's local population. (Sukmareni, Efendi Roni, 2021).

Every business entity operating in the natural resource management or services sector has a legal obligation to implement CSR. This obligation is a responsibility that must be fulfilled legally to support sustainability and the public interest. The CSR obligation is regulated under Law No. 40 of 2007 concerning Limited Liability Companies. Meanwhile, the implementation of TJSL or CSR is regulated in Government Regulation No. 47 of 2012 concerning social and environmental responsibility of limited liability companies and Government Regulation No. PER-05/MBU/04/2021 concerning social and environmental responsibility programs of state-owned enterprises. CSR is also one of the government's efforts to improve community welfare and preserve nature so it can continue to develop and thrive. CSR is also a corporate moral commitment to engage in the needs of the population and the environment through actions. Thus, company executives fulfill their responsibility to capital owners (shareholders), company stakeholders, and society as a whole. This CSR

program initially reflected the company's social responsibility.

Several companies in Indonesia that have successfully implemented CSR programs, such as PT Freeport, Pertamina, PT HM Sampoerna, PT Coca-Cola, PT Bank Central Asia, Nokia MobilePhone, PT Timah, Astra Group through the Dharma Bhakti Astra Foundation, and Unilever with the Pepsodent School Campaign program, serve as examples of entities contributing tangibly to society through various social programs. This demonstrates that CSR is a long-term corporate commitment to improving the quality of the surrounding environment, both outside and within the company. Likewise, many companies within the extractive industry sector in Indonesia have already adopted this concept.

The Legal Position And Authority Of Bank Indonesia In Implementing Corporate Social Responsibility (CSR)

As a democratic nation founded upon the rule of law, the Indonesian government's legal authority is expected to ensure the proper regulation of governmental administration, particularly within the framework of public law relations. Authority can be understood as a set of provisions that govern how public-law subjects acquire and exercise governmental power. The source of this authority comes from the legal system that constitutes governmental organizations. Authority, as a core concept in law, particularly in the study of administrative law, is sovereignty that is regulated or institutionally formed. Therefore, in the study of administrative law, which is part of public law, authority is sometimes defined as power or as the legal authority granted to individuals who perform governmental functions. Indonesia is a country that adheres to the law, with legislation applied as a source of legitimacy for the exercise of authority

by state institutions (Qamar & Rezah, 2023)

A legal state is characterized by its establishment of the principle of legality, which serves as the foundation for legitimate governmental action. From this principle, it follows that the government's authority is derived from the law. Consequently, governmental power is derived from provisions explicitly outlined in statutes. Theoretically, authority or power originates from legislation. There are three ways to obtain it: attribution, delegation, and mandate. Laws serve as the basis for granting governmental authority, known as attribution. Meanwhile, delegation refers to the transfer of existing authority from a governmental body or official who has received authority through attribution. In practice, attribution always precedes the establishment of authority. When a government agency authorizes another official or institution to carry out orders, this is called a mandate.

Whenever a law grants authority to an institution or government official, there is always accountability on the part of the relevant officials. This demonstrates that the legal authority conferred is inherently derived from the law itself. The mandate to oversee financial affairs and maintain the stability of the rupiah rests with Bank Indonesia in its capacity as the nation's central bank. In carrying out governmental functions such as regulation, assistance, development, supervision, and security, state officials must adhere to the principle of legality, the general principles of good governance (AUPB), and the governance standards set out in Indonesian statutory provisions. A key legal foundation underpinning these requirements is Law No. 30 of 2014 on Government Administration. (Juliani, 2019)

In Law No. 30 of 2014, specifically in Article 1, point 5, it is stated that "Authority is the right possessed by Government Bodies and/or

Officials or other state administrators to make decisions and/or take actions in the administration of government". The scope of authority is the context in public law as referred to in Article 1, point 6.

Article 5 states that the implementation of Government Administration is based, among other things, on the principle of legality. The term 'principle of legality' is explained in the commentary of Article 5, which states that the administration of Government prioritizes the legal principle of any determination and/or action made by Government Bodies and/or Officials. The context of Government also includes institutions outside the executive branch, provided they carry out governmental functions as stipulated in Article 4, paragraph (1). Thus, BI's CSR provision falls within the functions of government.

Government authority is stipulated in Law No. 30 of 2014 concerning Government Administration, Article 8, paragraph 2: "government bodies and/or officials, in exercising their authority, are obliged to base it on legislation and the General Principles of Good Governance (AUPB)". Furthermore, Article 9 states that legislation includes: a. "legislation that forms the basis of authority" and b. "legislation that serves as the basis for establishing and/or carrying out decisions and/or actions". Even in verse (3), it is emphasized that "Government Bodies and/or Officials, in determining and/or carrying out Decisions and/or Actions, are required to include or indicate the provisions of laws and regulations that form the basis of Authority and the grounds for determining and/or carrying out Decisions and/or Actions".

The consequence of an action not being based on authority is that it is considered an action disregarding the rules, as stipulated in Article 18, paragraph (3), thereby rendering the action legally defective.

In Indonesia, the central bank's responsibilities are borne by Bank

Indonesia (BI), which has the primary function of regulating and maintaining the stability of the national financial system. Similar institutions are present in every country, generally only one, with a network of branch or representative offices in various provinces to carry out supervisory functions and conduct monetary policy (Ashinta Sekar, 2014). The position of BI as the central bank, often regarded as a bank of banks, holds significant importance in supporting the national development process. The financing needs, which span nearly all sectors of development and generally come from financial institutions such as banks, are the main factors behind this. As an institution that functions as a central bank, BI holds primary authority in maintaining the stability of the rupiah exchange rate. To achieve this objective, various monetary policies and financial instruments are implemented in a measured manner. BI has established three strategic functions as the foundation of its institutional policies, namely: The design and execution of monetary policy, together with the administration and supervision of the national transaction system's optimization, as well as the preservation of overall financial equilibrium (Rini et al., 2022).

Article 23D of the 1945 Constitution states that "the state shall have a central bank whose structure, position, responsibilities, and independence are regulated by law". This constitutional mandate has been implemented through Law No. 23 of 1999 on Bank Indonesia, particularly in Article 4, which affirms "that Bank Indonesia is the central bank of the Republic of Indonesia with the status of an independent state institution, free from government or other parties' interference, except in matters explicitly stipulated in the law". Thus, Bank Indonesia performs its constitutional function as a central bank and is classified as a state organizer, thereby having a role within the scope of

government administration, not limited to the executive branch, but encompassing all aspects of government administration.

To support the national economy, financial policy must focus on measures to maintain the rupiah's stability. This is necessary due to the increasingly advanced financial system, the challenges of economic development and progress, and a global economy that is becoming more competitive and interconnected. The existence of stable, accountable, and trustworthy financial governance is a fundamental prerequisite for effective, efficient, and accountable financial management. Efficient, accurate, secure, and smooth payment mechanisms, supported by strict banking regulations and supervision, form an important foundation for the system's sustainability. Article 1, paragraph 10 of the UUBI states: "Monetary Policy is a policy established and implemented by Bank Indonesia to achieve and maintain the stability of the rupiah's value, carried out, among other things, through the control of the money supply and/or interest rates."

As a state organizing institution, Bank Indonesia must comply with and be guided by legal provisions in exercising its authority, including Law No. 30 of 2014 concerning Government Administration. According to Article 1, point 2 of the law, "government functions include the implementation of government administration encompassing regulatory, service, development, empowerment, and protection functions." This mandate is a realization of the 1945 Constitution, Preamble. After the proclamation of independence, the formation of the Government of the Republic of Indonesia, as affirmed in the fourth paragraph, represented the foundational step through which the national government was vested with the authority to regulate and administer the affairs of the Indonesian people as a whole (Hadi et al., 2025). Meanwhile, Article 1 point 6 defines "Government

Authority, hereinafter referred to as Authority, as the power of a Government Body and/or Official or other state administrators to act within the realm of public law". As a state body, Bank Indonesia (BI) is subject to the fundamental principles of clean state administration, as codified in Article 5 of the aforementioned law. These provisions include the principle of legality, which requires that every government action be based on a valid and clear legal foundation. The principle of legality holds that any government operating under conditions established by legislation has both the duty and the right to act in accordance with applicable legal policies, thereby ensuring that the principle of equality in legal treatment is realized (Dwi, 2023).

The authority of the government is stipulated in Law No. 30 of 2014 concerning Government Administration, Article 8, paragraph 2: "government bodies and/or officials, in exercising authority, must act in accordance with the legislation and standard operating procedures of the government". Further details are provided in Article 9 of this law. Specifically, the authority of Bank Indonesia (BI) is regulated in Articles 7 and 8 of Law No. 23 of 1999 concerning Bank Indonesia. Article 7 stipulates that "The objective of Bank Indonesia is to achieve and maintain the stability of the rupiah." Meanwhile, Article 8 details the three main functions of BI, namely:

1. "Formulating and implementing monetary policy."
2. "regulating and ensuring the smooth operation of the payment system."
3. "regulating and supervising banking."

Law No. 3 of 2004 concerning Amendments to Law No. 23 of 1999 brought several important adjustments, including the affirmation of the independence of Bank Indonesia, changes to Article 7 with the addition of a new paragraph to clarify the tasks of BI, as well as strengthening transparency and

accountability aspects in the implementation of institutional functions. Furthermore, Law No. 6 of 2009, which ratified Government Regulation in Lieu of Law No. 2 of 2008 as the second amendment to Law No. 23 of 1999, did not substantially alter the tasks and authorities of Bank Indonesia. Nevertheless, this regulation strengthens the institutional structure of Bank Indonesia, particularly in terms of independence, accountability, and transparency, in response to fluctuations in the national economy and calls for improved governance.

In recent times, Bank Indonesia (BI) has faced allegations concerning the misapplication of CSR practices. Unlike a Corporation, BI constitutes an independent state institution governed by Law No. 23 of 1999 in conjunction with Law No. 3 of 2004 on Bank Indonesia. As a consequence, BI lacks the legal foundation and authority to allocate TJSL/CSR funds, which are regulated under Law No. 40 of 2007 on Limited Liability Companies and Government Regulation No. 47 of 2012. The scope of BI's authority is explicitly defined within Law No. 23 of 1999 regarding Bank Indonesia.

The implementation of CSR by certain corporations is based on five legal provisions and normative guidelines, namely: (1) the Minister of State-Owned Enterprises' Decree on the Partnership and Community Development Program (PKBL), (2) Law on Limited Liability Companies Number 40 of 2007, (3) Investment Law Number 25 of 2007, (4) Oil and Gas Law Number 22 of 2001, and (5) ISO 26000 Guidance (Nensi et al., 2021). Meanwhile, BI is not classified as a Company or Corporation. BI explains that the BI Social Program (PSBI), as a form of CSR, is implemented systematically through three pillars: community economic empowerment, social care, and annual budget allocation set by the Board of Governors. Assistance

is distributed to eligible institutions or groups based on proposals and field verification results, upholding the principles of transparent and accountable governance. (Haryanti & Danu, 2025)

As part of fulfilling its obligations, BI has established the Bank Indonesia Social Program (PSBI) to address various social and economic issues faced by the community, with the PSBI planning designed by the PDGBI board. PDGBI is a legal instrument established under the authority of the Board of Governors and includes internal provisions that regulate the implementation of activities within Bank Indonesia. According to PDGBI, PSBI has a scope in various fields such as education, health, environment, culture, and religion. In essence, PSBI is group-based rather than individual-based. Therefore, according to PDGBI, PSBI is divided into two models, each serving a different purpose. Regular PSBI is intended for temporary social programs. One example of this is assistance within the sectors of education, health, the environment, traditions, and beliefs. Meanwhile, strategic PSBI targets economic development, which is long-term in nature. However, strategic PSBI falls under the responsibility of FPPU. (Windya, 2019)

When reviewing the BI provisions, no article mentions any obligations regarding CSR. Philosophically, CSR refers to a social obligation undertaken by a corporation, which is a legal entity oriented toward profit. Meanwhile, BI is not a profit-oriented legal entity, so CSR obligations do not apply to BI.

Furthermore, since there are no regulations governing BI's provision of CSR, in other words, in carrying out this action, it can be said to be acting without proper authority. This refers to the principles of legality and authority mentioned in Article 8 of Law No. 30 of 2014, which explicitly state that government bodies and officials must

exercise their authority in accordance with statutory regulations. Therefore, BI's action can be considered legally defective, in this case, a defect of authority (Sisma Fariska Muhammad, 2023).

From an administrative law perspective, the implementation of the Bank Indonesia Social Program (PSBI) may also be examined through the lens of administrative discretion. Discretion allows government institutions to take certain actions in situations where regulations are incomplete, unclear, or provide policy space, provided that such actions remain within the limits of authority and adhere to the principle of legality and the General Principles of Good Governance (AUPB). However, in the case of Bank Indonesia, the scope of discretion cannot be interpreted expansively to justify activities that resemble Corporate Social Responsibility (CSR), as BI's authority is strictly limited by Law No. 23 of 1999. Authority testing (*toetsing van bevoegdheid*) demonstrates that BI's constitutional and statutory mandate is confined to monetary stability, payment systems, and banking supervision. Consequently, the implementation of PSBI does not derive from an explicit attribution or delegation of authority concerning CSR, but rather constitutes a policy initiative with social objectives. This condition raises a normative legal issue regarding the boundary between permissible administrative discretion and actions that potentially exceed statutory authority, thereby forming the novelty of this research in assessing CSR practices by non-corporate state institutions.

CONCLUSION

From the foregoing discussion of the issues addressed in this paper, Several inferences can be made as outlined below:

1. Normatively, the implementation of Corporate Social Responsibility (CSR) or Social and Environmental Responsibility (TJSL) in Indonesia

has a clear and binding legal foundation. CSR obligations are explicitly regulated under Law No. 40 of 2007 on Limited Liability Companies, particularly Article 74, which requires companies operating in the natural resources sector to carry out social and environmental responsibilities. These obligations are further elaborated through Government Regulation No. 47 of 2012 concerning the implementation, budgeting, and reporting of CSR. In addition, the Regulation of the Minister of State-Owned Enterprises No. PER-05/MBU/04/2021 provides specific guidelines for implementing CSR by State-Owned Enterprises. Thus, from a normative legal perspective, CSR constitutes a mandatory legal obligation exclusively for business entities in the form of limited liability companies operating within designated sectors.

2. Bank Indonesia, as an independent state institution, holds authority strictly limited to the management of monetary policy, payment systems, and banking supervision as stipulated under Law No. 23 of 1999, as amended by Law No. 6 of 2009. Bank Indonesia is neither a limited liability company nor a profit-oriented corporate entity. Consequently, CSR obligations as regulated under corporate law do not apply to Bank Indonesia. From the standpoint of administrative law, although government institutions may exercise administrative discretion, such discretion must remain within the boundaries of legally attributed authority and comply with the principle of legality and good governance. The implementation of CSR-like programs by Bank Indonesia, without explicit statutory authorization, constitutes an ultra

vires act. This study, therefore, affirms that the practice of CSR by non-corporate state institutions raises significant normative issues concerning the limits of authority, legal certainty, and institutional accountability.

ACKNOWLEDGMENTS

Thanks to the Faculty of Law at Wijaya Putra University for their support, both material and immaterial, in conducting this research.

BIBLIOGRAPHY

- Ashinta Sekar, B. (2014). Kedudukan Bank Indonesia Setelah Terbentuknya Otoritas Jasa Keuangan. *Universitas Surakarta*, 1–9.
- Asshiddiqie, J. (2015). *Gagasan Konstitusi Sosial* (R. Yasin (ed.); Cetakan pe). LP3ES.
- Defiyan, C. (2025). *Kewenangan Dana CSR oleh BI dan OJK Inkonstitusional*. Indonews.Id. <https://indonews.id/artikel/341255/Kewenangan-Dana-CSR-oleh-BI-dan-OJK-Inkonstitusional/>
- Dina, S. (2024). *Metode Penelitian Hukum* (Tahta Media (ed.); September). PENERBIT TAHTA MEDIA GROUP.
- Disemadi, H. S., & Prananingtyas, P. (2020). Kebijakan Corporate Social Responsibility (CSR) sebagai Strategi Hukum dalam Pemberdayaan Masyarakat di Indonesia. *Jurnal Wawasan Yuridika*, 4(1), 1. <https://doi.org/10.25072/jwy.v4i1.328>
- Dwi, F. A. F. (2023). Pemuliaan Hukum Tata Negara Di Indonesia. *Wijaya Putra Law Review*, 2(1), 47–60. <https://doi.org/10.38156/wplr.v2i1.8>

- Endarto, B., Indriastuty, D. E., & Mardiana, F. (2025). Legal transplantation of blue bond regulation in Indonesia. *Environmental Development*, 53, 101118.
<https://doi.org/https://doi.org/10.1016/j.envdev.2024.101118>
- Farooq, M., Khan, I., Kainat, M., & Mumtaz, A. (2024). Corporate social responsibility and firm value: the role of enterprise risk management and corporate governance. *Corporate Governance*, 25(3), 631–663.
<https://doi.org/10.1108/CG-08-2023-0341>
- Hadi, F., Gandryani, F., & Afifah, F. (2025). Konsep pemerintahan daerah berdasarkan undang-undang Nomor 23 Tahun 2014. *Ilmu Hukum Wijaya Putra*, 3(4), 83–98.
<https://doi.org/10.38156/jihwp.v3i2.324>
- Hakim, F. L., Novianti, E., Kadarisman, A., & Khoerunnisa, L. (2022). Implementasi Corporate Social Responsibility Melalui Program Bank Indonesia Mengajar. *Jurnal Representation*, 8(1), 108–127.
<https://doi.org/10.30996/representamen.v8i16495>
- Hariri, A., & Arifin, S. (2023). *ANALYSIS OF LOCAL GOVERNMENT POLICY MODEL IN PREVENTING CORRUPTION IN A*. 8(60), 290–300.
<https://doi.org/10.3376/jch.v8i2.619>
- Haryanti, S. P., & Danu, D. (2025). *KPK menetapkan 2 anggota DPR jadi tersangka korupsi dana CSR BI-OJK*. Kompas Com.
<https://nasional.kompas.com/read/2025/08/06/20083461/kpk-tetapkan-2-anggota-dpr-jadi-tersangka-korupsi-dana-csr-bi-ojk>
- Ihsanul Windasari. (2024). Implementasi Konsep CSR dan Akuntansi Lingkungan Dalam Refleksi Nilai Tokoh Pewayangan Kresna. *Jurnal Lentera Bisnis*, 13(3), 2099–2112.
<https://doi.org/10.34127/jrlab.v13i3.1290>
- Ilham, P. R., & Adi, S. (2024). *KPK Dalami Kewenangan BI dan OJK Dalam Pemberian Dana CSR*. Tribun News.
<https://www.tribunnews.com/nasiona1/2024/12/30/kpk-dalami-kewenangan-bi-dan-ojk-dalam-pemberian-dana-csr>
- Indonesia, B. (n.d.). *Fungsi Utama Bank Indonesia*. Bank Indonesia.
<https://www.bi.go.id/id/fungsi-utama/default.aspx>
- Irwansyah, A. Y. (2021). Penelitian Hukum Pilihan Metode & Praktik Penulisan Artikel (Edisi Revisi). Yogyakarta: Mirra Buana Media, Cet, 4.
- Juliani, H. (2019). Akibat Hukum Penyalahgunaan Wewenang Pejabat. 2(4), 598–614.
<https://doi.org/10.147/alj.v2i4.598-614>
- Mohy-ud-Din, K., Shahbaz, M., & Du, A. M. (2025). Corporate social responsibility and climate change mitigation: Discovering the interaction role of green audit and sustainability committee. *Corporate Social Responsibility and Environmental Management*, 32(1), 1198–1212.
<https://doi.org/https://doi.org/10.1002/csr.3011>
- Mulada, D. A., Saleh, M., Setiawan, Y., & Wisudawan, I. G. A. (2025). Tinjauan Yuridis Tanggung Jawab Sosial Perusahaan (CSR) Lembaga Perbankan. *Jurnal Fundamental Justice*, 6(1), 117–132.
<https://doi.org/10.30812/fundamental>

- .v6i1.4884
- Nensi, Z. Y., Budi, A., & Ahmad, S. (2021). Implementasi Corporate Social Responsibility (CSR) Pada Bank Bengkulu. *Jurnal Akuntansi Keuangan Dan Sistem Informasi*, 2(1), 224–234.
- Qamar, N., & Rezah, F. S. (2023). Wewenang Sebagai Instrumen Penyelenggaraan Pemerintahan Dalam Sistem Negara Hukum. *Asas Wa Tandhim: Jurnal Hukum, Pendidikan Dan Sosial Keagamaan*, 2(2), 201–222. <https://doi.org/10.47200/awtjhpsa.v2i2.1781>
- Qawi, A. M., Lorita, E., Imanda, A., Studi, P., Publik, A., Sosial, F. I., & Bengkulu, U. D. (2025). Implementasi Undang-Undang No. 40 Tahun 2007 Tentang Corporate Social Responsibility (CSR) Di PT. Sinar Bengkulu Inti Mulya *Implementation Of Law Number 40 Of 2007 On Corporate Social Responsibility (Csr) at PT. Sinar Bengkulu Inti Mulya*. 1(40), 159–166. <https://doi.org/10.70963/soc.v1i4.289>
- Rini, A. P., Nabila, K. S., Nurul, H., & Muzayyanah, A. (2022). Partisipasi Bank Indonesia Dalam Pengaturan Digitalisasi Sistem Pembayaran Indonesia. *Masalah-Masalah Hukum*, 51(3), 271–286. <https://doi.org/10.14710/mmh.51.3.2022.271-286>
- Sahib, N., Rismawati, R., Rusli, A., & Hapid, H. (2023). Konsep Corporate Social Responsibility Berbasis Pangadarang Wija To Luwu. *Jurnal Akademi Akuntansi*, 6(1), 79–93. <https://doi.org/10.22219/jaa.v6i1.25727>
- Sholikhah, A. J. (2024). *Analisis Pelaksanaan Perlindungan Hukum Terhadap Anak Korban Eksploitasi Ekonomi Sebagai Pengemis*. 4, 6738–6751. <https://doi.org/10.31004/innovative.v4i4.13924>
- Sisma Fariska Muhammad, A. Z. (2023). *LEGAL LIABILITY ON ADMINISTRATIVE TORT*: 8(November 2022), 242–252. <https://doi.org/10.3376/jch.v8i2.592>
- Sukmareni, Efendi Roni, Z. R. (2021). *THE DISTINCTION LAW OF PROCEDURE OF CORRUPTION CASE AND THE GENERAL COURT IN THE INDONESIAN CRIMINAL JUSTICE SYSTEM*. 6, 302–317. <https://doi.org/10.3376/jch.v6i2.337>
- Sumarto, M. E. J., Rokhim, A., & Muhibbin, M. (2024). Analisis Konsep CSR dan Sistem Tanggung Jawab Sosial dan Lingkungan pada Perseroan Terbatas yang Berasaskan Keadilan dan Kepastian Hukum. *Perspektif*, 13(2), 498–506. <https://doi.org/10.31289/perspektif.v13i2.11226>
- Suteki, G. T. (2020). Metodologi Penelitian Hukum (Filsafat, Teori dan Praktik), Cetakan ke-3. *Depok: PT Raja Grafindo Persada*.
- Trisha, U. A., & Putri, D. T. (2025). Corporate Social Responsibility: Prespektif Hukum Positif Di Indonesia. *Jurnal Media Akademik (JMA)*, 3(3), 1–16. <https://doi.org/doi.org/10.62281/v3i3.1635>
- Windya, L. S. (2019). Studi Implementasi Program CSR Bank Indonesia Provinsi Sulawesi Tengah. *Kinesik*, 6(2), 237–246. <https://doi.org/10.22487/ejk.v6i2.84>
- Wowor, M. G. H. A., Tinangon, E. N., & Karwur, G. M. F. (2025). Analisis Peran Pengawasan Bank Indonesia Untuk Menjaga Stabilitas Sistem

Keuangan. *Lex Administratum* |,
13(1), 1–23.

Zaenal, S. Z. A., Sihotang, S., &
Djuniarsono, R. (2024). Pengaturan
Tanggung Jawab Sosial dan

Lingkungan Perusahaan di Indonesia
(CSR). *Karimah Tauhid*, 3(4), 4557–
4569.

<https://doi.org/10.30997/karimahtauhid.v3i4.12770>.