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Assessing the Impact of CSR Policy and Practice on Education of Orphans and Vulnerable Children in Indonesia

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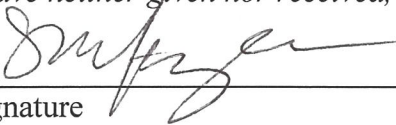
ASSESSING THE IMPACT OF CSR POLICY AND PRACTICE ON EDUCATION OF ORPHANS AND VULNERABLE CHILDREN IN INDONESIA

BY

SRI FRAZEE

MASTER'S THESIS

Submitted to the Graduate School of Valparaiso University

Valparaiso, Indiana in the United States of America

In partial fulfillment of the requirements

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MASTER OF SCIENCE

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Assessing the Impact of CSR Policy and Practice on

Education of Orphans and Vulnerable Children in Indonesia

A Thesis

Submitted to the Faculty

of

Valparaiso University

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Sri Frazee

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ABSTRACT

Indonesia was one of the first countries to implement the mandatory Corporate Social Responsibility (CSR) approach. This law requires corporations to allocate part of their budget toward funding for CSR programs. When implementing CSR programs, many Indonesian corporations focus on education. This research assesses how this policy has affected education, particularly for Orphans and Vulnerable Children (OVC) who are cared for at childcare institutions. These childcare institutions include orphanages (*panti)* and halfway houses *(rumah singgah)* that provides a temporary shelter for street children. This research examines the role of the Government of Indonesia (GOI) and corporations in implementing this mandatory CSR. This thesis focuses on two main questions: How was this policy interpreted and practiced in Indonesia? How did CSR practices affect the education of OVC?

A qualitative approach was adopted, where in-depth interviews were used to collect primary data. The relevant CSR laws, government regulations, and ministerial decrees on education as well as related to the well-being of OVC were analyzed. Research participants included eight orphanages, one Halfway House, and one corporation in Jakarta. Interviews with the Head of Orphanage Residence and/or managers from these organizations provided an understanding of how the mandatory CSR policies and practices impact the education of OVC.

1. INTRODUCTION

Community giving is not a new concept for Indonesia. In fact, community giving is rooted in the Indonesian culture and deeply influenced by religious practice. The concept of "gotong royong," which means "shared responsibility", is still commonly practiced in Indonesia. This traditional custom is an important part of life as a community member. For example, whenever an earthquake, volcanic eruption, or other disaster has destroyed a village, the principle of "gotong royong" takes effect. All community members have the responsibility to help clean up and rebuild the area together. When it is time to harvest a rice field, every community member has a duty to help and receives a share of the harvested crop in return. These community activities are commonly practiced voluntarily as part of the corporate philanthropy program among Indonesia corporations.

According to the World Bank, in 2015, the Indonesian population reached more than 257 million people; over 71 million of them were children between ages 0-14 years (World Bank) and 3.2 million of them were Orphans and Vulnerable Children (OVC) (BAPPENAS, SMERU, UNICEF). This large youth population indicates a potential large workforce. Therefore, it is fundamental for the Government of Indonesia (GOI) to provide access to quality education. Despite the fact that the GOI put aside 20% of its spending on education (Frazee), the current infrastructure and resources are not sufficient to meet the needs of the growing population. Thus, the GOI reached out to the private sector and civil society to take a more active role in assisting the government in providing solutions to economic and social development challenges. These social development challenges include providing care and access to education for OVC. One of the strategies

adopted by the GOI was transform the community giving as part of the corporate philanthropy activities into mandated Corporate Social Responsibility (CSR) program.

The goal of this thesis is to assess the impact of CSR policy and practice on education of OVC. This study addresses two questions: How was this policy interpreted and practiced in Indonesia? How was the CSR practices affected the education of OVC? This research offers a different perspective by examining the government role and its responsibility to OVC, existing laws and regulations, and ministries decrees that provide protection and care to OVC. Because community giving is commonly practiced in Indonesia, the author expected by mandating CSR program there would be a more positive impact on the education of OVC. The financial assistance distributed through mandatory CSR program should serve as additional support to childcare institutions, the caregiver of OVC. These childcare institutions include orphanages *(panti)* and halfway houses *(rumah singgah)* that provides a temporary shelter for street children. In addition, by assessing the CSR policy and practices, this research identifies challenges and weaknesses of this mandatory CSR policy. This research also provides recommendations that could be used to improve the current CSR implementation.

2. CSR IN INDONESIAN CONTEXT

Many Indonesian corporations implement CSR programs as part of philanthropic activities, which primarily provide donations to charitable and non-profit organizations. Although philanthropic activities are part of CSR programs, CSR addresses the importance of social investment that are imbedded in the corporate strategy beyond the philanthropic activities. CSR is strategic business practice where "...business makes a contribution to improving the governance, social, ethical, labour [sic] and environmental

conditions...in which they operate.." (Visser et al, 149). Thus, CSR programs cover a wide range of social issues such as education, poverty eradication, human rights, environmental protection and sustainable development.

Although CSR practices in Indonesia are still in the early stages, it shows positive signs. The CSR implementation in Indonesia was formally recognized through a policy released in 1989 for State Owned Enterprises (SOEs). This policy required SMEs to provide financial support to co-operatives and Small and Medium Enterprises (Gayo).The mandatory CSR in Indonesia mostly influenced by environmental and human rights violations committed by multinational corporations. The CSR laws passed in 2007 initiated the shifting of CSR programs focus from environmental to social issues. The scope of CSR programs are quite diverse, ranging from education to labor rights (Hasibuan-Sedyono). Some Indonesian corporations that operate in the global market, for example Unilever Indonesia, Astra International, and Indosat, have become increasingly aware of the need to balance social, economic and environmental factors of their businesses, while creating their stakeholder value. In operating their businesses, these corporations believe they have responsibilities to their stakeholders including employees, customers, suppliers, society, natural environment and future generations. These corporations use the Global Reporting Initiative's six indicators to measure performance and describe the economic, environmental, and social impact of their CSR activities. These include economic, environmental, labor practices, human rights, society, and product responsibility (Bampton et al. 107).

Pranowo et al. contend that in order to benefit the local community, CSR implementation in Indonesia requires synergy and a partnership between government and

private sector. The role of the government as the regulator is fundamental. However, despite the importance of the regulations that are put in place, the local regulations often do not reflect and/or support the implementation of CSR. There is a lack of coordination among government agencies. Moreover, regulations are often burdensome. The corporations normally wait for general proposals submitted by the community members. These proposals range from sponsorship for improving local library facilities to buying prescription glasses for students from low-income families. As a result, many CSR programs are limited and seen as charity activities. There is no well-organized planning initiated by the community leaders related to the utilization of the funding (Pranowo et al.), which complicates the situation and weakens the core value of CSR.

3. LITERATURE REVIEW

In his book, *Corporate Social Responsibility: A Very Short Introduction*, Jeremy Moon introduces the concepts of CSR, how and why CSR was developed, and how it is implemented. Moon explains that CSR has gained more value in recent years. According to Moon, CSR represents the social accountability a corporation owes for society. He illustrates the type of CSR investments companies make, the ways in which they practice CSR, and the challenges it brings. He explains how the values of CSR migrated from its U.S. origins to become a global business sensation. In addition, Moon also describes CSR practices, benefits, and the arguments it raises in different economic, social, political, and managerial settings (Moon).

Wayne Visser, founder of CSR International, argues that CSR, as a business, governance and ethics system, has failed. This claim is based on the net impact of business on society and environment. Visser believes the success of CSR should be

evaluated based on its positive or negative impact on communities and environments, whether the community and/or environment is getting better or worse. He explains that at the micro level, on specific CSR projects and practices, there are some improvements. However, at the macro level, almost all indicators, including social, environmental and health, shows the opposite. In his book, *The Age of Responsibility: CSR 2.0 and the New DNA of Business,* Visser argues there is a need for a different kind of CSR. He proposes a new type of CSR—called systematic CSR or CSR 2.0.

This new type of CSR is based on five principles: creativity, scalability, responsiveness, glocality and circularity. The creativity principle requires business to offer creative solutions in solving social and environmental issues. The scalability principle requires business to create CSR program that match the scale and urgency of the problem. The responsiveness principle requires business to be more receptive to community needs and ignore the 'one-size fits all' CSR program philosophy. This principle requires business to be more transparent through reporting mechanisms and sharing critical resources. The glocality principle requires business to take a global issue, such as economic inequality, and identify what the appropriate local solutions should be, such as labor wages. Finally, the circularity principle creates businesses that are constantly serving and replenishing social and human capital through education and training, as well as serving the community and improving the employees' well-being. Visser explains that these five principles form the foundation for the new model of responsible business that is built around the four elements of value creation, good governance, societal contribution and environmental integrity (Visser).

CSR has become a significant topic of discussion recently, particularly when the GOI required CSR program as part of business activities. In her research, "*Corporate Social Responsibility in Indonesia: Quixotic Dream of Confident Expectation,*" Melody Kemp, who studied CSR in Indonesia for the United Nations Research Institute for Social Development (UNRISD), describes how historic and cultural factors changed corporate social and environmental responsibility activities. Capitalism in Indonesia was associated with patronage and monopolies with the concentration of wealth and power at the hand of President Soeharto, his family and cronies. After ruling for more than 32 years, Soeharto's dictatorship fell when the Asian Financial Crisis (AFC) put Indonesia in a financial catastrophe. As Indonesia transitions and embraces modernity, business, politics and culture continue to be influenced by the tradition of corrupt authoritarianism. In her research, Kemp examined codes of conduct and how CSR was viewed in Indonesia. Kemp illustrated how environmental issues affected large business sectors such as mining and the palm oil industry. Based on interview results, media reports and published works, Kemp argued that promoting CSR in Indonesia was difficult because there was no rule of law or effective way of mobilizing and legitimizing the monitoring bodies that underpin CSR implementation in Indonesia (Kemp).

Sabela Gayo and Asmah Laili Yeon explained in their article, "*Mandatory CSR Law in Indonesia: New Emerging Policy",* that despite the GOI passing several laws related to CSR including the Limited Liability Company Law in 2007, the GOI has not provided clear guidelines on how CSR program should be implemented. This complicated the condition because "...there are a lot of *'players'* on mandatory CSR itself" (1). The authors argued that the mandatory CSR approach adopted by the GOI was

because the level of compliance to the law and other government regulations in Eastern society, like in Indonesia, is not the same as Western society that adopted CSR as a voluntary action. Gayo and Yeon used the theory of the legal system as a tool of analysis in order to describe any constraint in the CSR implementation in Indonesia. The theory of legal system describes the relationship between law and regulations, why the law should be obeyed, and how the law is binding. The authors analyzed the role of civil society organization in implementing the mandatory CSR law. Furthermore, the article examined how corporate tax reduction was structured for a company's charitable contributions, and explained the overlapping CSR regulations issued by different ministries. Gayo and Yeon suggest it is necessary to create standardized guidelines and procedures in CSR implementation. In addition, it is also essential for Indonesia to create an authorized CSR regulating body to monitor and evaluate CSR programs at the national or sub-national level (Gayo and Yeon).

In his research, "*Public Relations and Corporate Social Responsibility in Mandatory Approach Era in Indonesia*", Rachmat Kriyantono used a combination of the Kanji & Chopra Model and Turker's Scale to measure the implementation of CSR in Indonesia. The Kanji & Chopra Model uses four indicators as CSR measurement: Social Accountability and Social Investment (SASI), Ethics and Human Resources (EHR), Corporate Governance and Economic Responsibility (CGER), and Environmental Protection and Sustainability (EPS) (Kanji and Chopra). Whereas Turker's Scale, also referred as "CSR for Stakeholder", uses a four dimensional structure scale to measure the company's responsibility to various stakeholders. These measurement factors are: 1) employees and customers, society, 2) government and competitor, 3) natural environment

and future generations, and 4) non-government organizations (Turker). Kriyantono

surveyed 87 CSR programs from businesses and State Owned Enterprises (SOEs) and

found that in establishing a CSR program, Indonesian corporations were more focused on

stakeholder's interests rather than economic components or profitability. His research

showed that most of the corporations in Indonesia designated a CSR program as part of

their public relations effort. Thus, he argued that in Indonesia, corporations conducted

CSR programs only to improve reputation. However, his study did not look at the

effectiveness of CSR as part of the corporate public relations strategy (Kriyantono).

In addition to the literatures abovementioned, several studies that focused on the

CSR existing law (Gayo and Yeon, Juniarto and Riyandi) and the adoption of stakeholder

value in CSR programs implementation in Indonesia (Hasibuan-Sedyono, Kriyantono,

Pranowo et al, Saputro et al, Tanudjaja) were conducted in the past. Nevertheless, there

has not been research conducted that focused on the impact of CSR on the education of

OVC in Indonesia. The increasing number of CSR activities and the large number of

OVC population raise questions on how this policy interpreted and practiced and how

CSR practices affected the education of OVC in Indonesia. This research identifies and

explains the weaknesses of this mandatory CSR. In addition, this study offers

recommendations to improve the current resources distribution through CSR programs.

4. Background

4.1. Legal Framework of CSR in Indonesia

CSR practices in Indonesia have changed after the Asian Financial Crisis (AFC).

This crisis ended President Soeharto's regime and the centralization of government

system. After the fall of Soeharto, Indonesia began the reformation era with significant

changes to its political and administrative systems. The new government also reformed

the highly centralized system of administration into a decentralized and democratic

system. Rasyid argued in his article, *"The Policy of Decentralization in Indonesia"*, the

decentralized system provides full autonomy at the municipal and district levels, with

limited autonomy at the provincial level. Additionally, this reform reduces the authority

of the central government. However, transferring powers from the central government to

the provincial, municipal and district levels was a challenging task. This is because of the

competing interests among different levels of government and other groups involved,

such as private sector and civil society (Rasyid) that includes civil society organizations

and non-governmental organizations.

The decentralization strategy adopted by the GOI complicated regulations

implementation. In Indonesia, the hierarchical sources of law is the 1945 Constitution,

Law and Government Regulation in Lieu of Law, Government Regulation (GR),

Presidential Regulation, and Regional Law. Furthermore, Devi and Prayogo described in

their article *"Mining and Development in Indonesia: An Overview of the Regulatory*

Framework and Policies" that many of these regulations sometimes conflicted with each

other across various levels of government. This is because Indonesian law is responsible

for providing the brief guidelines and the implementation of regulations are enacted

afterward. Ideally, this process should take place immediately after the particular law is

enacted. However, as Devi and Prayogo explained "...in many cases, the implementing

regulations are not ready for several years, which creates uncertainty as all Indonesian

law [sic] depend on the operating regulations, including the subsequent ministerial or

presidential decrees, to determine exactly how they are implemented" (25).

The GOI has been taking a more active role in addressing the importance of CSR practices by incorporating its laws and national regulations. The laws and regulations made Indonesia the first nation in the world to adopt a mandatory approach to CSR. According to the Indonesian National Law Documentation and Information Network, or Jaringan Dokumentasi dan Informasi Hukum Nasional (JDIHN), several legal frameworks of CSR were created including:

1. The Law on Petroleum and Natural Gas. Law No. 22/2001, Article 3. In doing their business activities, the Law on Petroleum and Natural Gas requires corporations to create job opportunities, enhance public welfare and prosperity fairly and equitably as well as continuously maintain the conservation of the environment.

2. The Law on State-Owned Enterprises. Law No. 19/2003, Article 88. This law mandates Indonesian State-Owned Enterprises (SOEs) to set aside part of their net profits in order to assist the Small and Medium Enterprises (SMEs), cooperatives and the surrounding communities.

3. The Law on Investment. Law No. 25/2007, Article 15. This law requires the foreign investors to engage in social responsibility. Using this law, the GOI regulates administrative sanctions as stated in Article 34 of the Investment Law. Companies that do not undertake the CSR are subject to these legal risks including written warning, restrictions on business activities, suspension of business activity and/or investment, and revocation of business activities and/or investment.

4. The Law on Limited Liability Company. Law No. 40/2007, Article 74. It enacts the obligation to all Limited Liability Company to adopt the CSR programs as a form of their responsibility towards society. Article 74 (1) specifically obligates companies that carry out their business activities in the natural resources sector as well as companies that perform their business activities related to and/or affect by natural resources to fulfill their social and environmental responsibilities.

5. The Law on Mineral and Coal Mining. Law 4/2009. The GOI requires companies in minerals and coal sectors to implement community development and practice the CSR both inside and outside the company.

6. The Law on Social Welfare. Law 11/2009. In providing social welfare, the GOI recognizes several institutions and organizations as social service providers (Article 35). These institutions include orphanages (*panti)* and halfway houses *(rumah singgah)* that provides a temporary shelter for street children. This law states several sources of funding are used to support these social service providers, including funding from government, community giving, CSR funds (Article 36).

7. The Law on Poverty. Law 13/2011. The GOI identified several institutions and organizations including panti and Rumah Singgah to provide care for the poor (Article 35). These care providers are funded through government, donations from private corporations and other source of funding approved by the government (Article 36).

8. In addition, the GOI issued Government Regulation (GR) on Social and Environmental responsibility of Limited Liability Companies (GR 47/2012). This

GR states that the company's board of directors is responsible for planning a social responsibility and allocate the budget to fund the CSR activities.

4.2. CSR Law on LLC, Social Welfare and Poverty

This paper focuses on four of the legal frameworks: Law of Limited Liability Companies (Law No. 40/2007), Law on Social Welfare (Law No. 11/2009), Law on Poverty (Law No. 13/2011) and Government Regulation (GR 47/2012). As mentioned above, Law No. 40/2007, Article 74 obliges corporations to take part in environmental and social responsibility. Law No. 11/2009 recognizes the role of corporations in social welfare. It states that funding panti and Rumah Singgah is the obligation of corporations to society. Whereas, Law No. 13/2011 states the role of corporations in assisting the poor is by providing funds to panti and Rumah Singgah through their CSR program. Thus, the well-being of OVC and their ability to complete education depends on funding distributed by government as well as corporations through their CSR programs. Both the Law on Social Welfare and the Law on Poverty do not include any details about how corporations should distribute their resources to panti and Rumah Singgah.

Several business associations, such as the Indonesian Chamber of Commerce (KADIN), Indonesian Employers Association (APINDO), and other business organizations, objected to these laws. They argued that these laws could become a financial burden due to the cost incurred from these CSR activities (Sukamdani). However, research studies conducted in 2011 and 2015 show the opposite is true. Bampton et. al., analyzed CSR reports and financial data of the top 50 Indonesian corporations. Their analysis revealed, "...there is a positive relationship between CSR and corporations [sic] financial performance..." (Bampton et al. 110). By analyzing

manufacturing companies that were listed on the Indonesia Stock Exchange between 2010 and 2012, Saputro et al showed that CSR programs had a positive effect on economic and environmental performance. Because of these positive effects, they suggested that companies "...should carry out Corporate Social Responsibility well in performing its activities because it will have an impact upon the viability of the company in the long term" (Saputro et al. 5300).

The GOI enacted the implementation regulation of Law No. 40/2007 by issuing GR No. 47/2012. This regulation also addresses CSR obligations, implementation, and sanctions for those that do not meet CSR obligations. Juniarto and Riyandi explained that GR No. 47/2012 stipulates corporations that comply with the law can be rewarded by the authorized agencies in the form of privileges or other forms of rewards. Conversely, corporations that do not implement CSR can be subjected to sanctions according to the law related to their business activities. For example, a geothermal and mining company is obligated to implement community development and empowerment program. If this company intentionally abandons its work area without fulfilling its obligation, then according to the Law on Geothermal Activities, Law No. 27/2003, members of the board of directors can be subject to criminal sanctions in the form of six months of imprisonment (Juniarto and Riyandi). This becomes problematic as not all laws related to the business activities clearly state the sanctions. For example if an investment company purposely neglect to implement CSR, Investment Law No. 25/2007 does not mention any form of sanctions (Maris).

Despite CSR becoming mandatory in Indonesia, currently the GOI has not established any infrastructure or created a regulatory body to monitor and evaluate CSR

implementation. The GOI relies on Law No. 40/2007 and GR 47/2012, which require

companies to disclose the implementation of CSR in their annual reports. However, the

GOI does not require companies to produce any independent sustainability reports. As

Darwin explained in his article *"Tailoring CSR Communication"*, "…the scope and

programs of CSR including the report format are just left to the public understanding and

CSR policy adopted by each company" (Darwin). Thus, the stakeholders were not aware

of the companies' CSR performance, lack of corporate transparency, stakeholder

engagement, environmental and social impact, and corporate accountability (Darwin).

4.3. CSR Development in Indonesia

The development of these mandatory policies have motivated several leading

universities, such as Trisakti University, Gajah Mada University and Institute Technology

Bandung (ITB), to offer undergraduate, masters and doctoral degree programs that focus

on CSR field study (Nugroho et al.). In addition, several non-profit organizations were

formed to support CSR best practices in Indonesia. For example:

- Public Interest Research and Advocacy Center (PIRAC) is an independent and a

  non-profit organization established in 1998. It offers research, training, advocacy

  and serves as a source of information in the philanthropic areas, and enhancement

  of civil society organizations in Indonesia (PIRAC).

- Indonesia Business Links is a non-profit organization established in 1999. The

  mission of this organization is to promote good corporate citizenship among

  government agencies, Small/Medium Enterprises (SMEs), corporations, and civil

  society organizations through CSR activities and encourage the best CSR

  practices in Indonesia (Indonesia Business Links).

- Business Watch Indonesia (BWI) is a research-based non-government organization established in 2002. The goal of this organization is to create good corporate governance that promotes accountability and fair business practices through research, publication and networking, and advocacy activities (Business Watch Indonesia).

- Corporate Forum for Community Development (CFCD). Fifteen corporations that actively practice Community Development (CD) programs declared this forum in 2002. The goal of CFCD is to be the center of multi stakeholder networking and learning that helps professionals to develop competency in the CSR/CD areas. In 2014, CFCD membership increased to 253 organizations and trained over 700 Community Development Officers (CDO) from various parts of Indonesia (Warta Pelatihan).

A study conducted in 2001 by PIRAC found there were 279 CSR programs implemented by 180 corporations with total spending approximately US$11.5 million (Tanudjaja). As CSR became mandatory and commonly practiced in Indonesia, many corporations implemented their CSR programs more strategically. There were four CSR models adopted by Indonesian corporations. First, conducting charity events or providing donations that directly benefit the recipients. Generally, this task is assigned to a corporate secretary or public affairs manager. Second, creating a corporate foundation, for example Coca Cola Foundation and GE Fund, to distribute funds, which is a model adopted from Western countries. The third CSR model is creating partnerships that support the purpose of CSR program with other corporations, communities, NGOs, government agencies, universities, etc. For example in 2011, Bank Central Asia, one of

Indonesia's major banks, and UNICEF launched the BCA Greeting Card to support the

UNICEF children's education project in Indonesia (BCA 116). The last CSR model is

joining an association and providing grants that support and focus on certain social

responsibility activities (Tanudjaja).

Studies show that Indonesian corporations focused on several key areas in

implementing CSR programs, including education and skill development (57%),

environment (38%) and public health (33%) (Hasibuan-Sedyono; Sing and Batra). In

implementing CSR in the education sector, Indonesian corporations target all levels of

education: primary, secondary and tertiary or higher education (Triwadiantini, Rahayu

2014). One of the objectives of CSR in education is to support future corporate recruiting

needs. Some of the instruments used include scholarships, internships and sponsorships

to build school facilities (Triwadiantini, Rahayu 2015). For example, many corporations

in the mining and other natural resources sectors, such as ExxonMobil and Chevron,

operate in remote areas with inadequate school facilities and resources. Thus, by

improving the local schools and supporting the teachers, parents do not have to move

away to find better schools for their children.

Corporations that operate in urban areas have similar objectives in regards to the

CSR programs in education and skill development. For example, in the financial sector, a

new partnership between HSBC Indonesia and Putera Sampoerna Foundation, a

corporate philanthropic division of Sampoerna Strategic Group, resulted in the creation of

Training on Trainer (TOT) and Professional Development Program (PDP). Two goals

were set for these banking and finance programs. First, to provide education and training

for lecturers, college students, young professionals and the community on how to use the

banking and financial services more efficiently and effectively. Second, to create college graduates and young professionals who are skilled and professionally ready to apply their knowledge without a long and costly training program at the corporation where they work (Handayani).

4.4. Orphans and Vulnerable Children in Indonesia

Indonesian orphans and vulnerable children (OVC) could greatly benefit from CSR programs. However, as Pranowo et al argued, CSR programs are perceived as quasi charities that provide temporary financial assistance. In addition, CSR implementation requires collaborative work between government, as a regulator, the private sector, community organizations and non-government organizations. In Indonesia, several laws have been enacted to protect and provide care to children and underprivileged groups. The 1945 Constitution of the Republic of Indonesia confirms that every citizen has the right to obtain decent employment and live in accordance with the standard of humanity (Article 27:2), and the state is responsible for taking care of poor and destitute children (Article 34). Moreover, the 1945 Constitution recognizes the right to education for every citizen (Article 28) and it is the duty of the state to fund the education (Article 31) (The Indonesian People's Representative Council).

The GOI enacted Child Protection Law No. 23/2002 to introduce the concept of children in need of special protection and affirm the state is responsible to protect them. In addition, the GOI articulated the right to education in Education Law No. 20/2003 (Frazee). This law states that every citizen has equal rights to receive a good quality education. This includes every citizen who lives in remote or less developed and isolated areas, and the economically disadvantaged. Despite the adoption of these laws, many

children in Indonesia still find themselves living in inadequate care environments with higher risks of discrimination, abuse and exploitation. Children who live without parental care, because of certain circumstances, often receive less care and attention to grow to their full potential.

As part of Child Protection Law No. 23/2002, the GOI assigned the responsibility of caring for these children at the provincial and regency levels of government. In addition, in the same year, the GOI created Komisi Perlindungan Anak Indonesia (KPAI) or the National Child Protection Commission. The primary role of KPAI is to advocate, raise awareness, and disseminate the content of the Child Protection Law to the public. However, the law does not establish any mechanism to support the implementation of the law. It does not include any major structures, mandates or resources to help deliver these services to children who need protection.

The Indonesian Ministry of Social Affairs (MOSA), who is responsible for social services and interventions for children and their families, has not defined who is responsible for ensuring the protection of children. There was no review to identify the structures and resources needed to deliver these protection services. With the intention of filling the gap in Law No. 23/2002, MOSA listed all the Ministries and related government agencies that have responsibilities in providing these services. MOSA relied on the pre-existing childcare institutions to provide services to these children. Therefore, the child protection system in Indonesia "...was almost entirely unregulated and often not equipped to serve the children that were most in need." (Save the Children, 2011, pp 2). This became problematic because not every childcare institution has the financial capacity to employ professional staff. (Save the Children, 2011).

In 2007, MOSA and UNESCO estimated there were about 8,610 residential childcare institutions in Indonesia, which placed Indonesia with one of the highest numbers of childcare institutions in the world (UNICEF, 2010). Almost 90 percent of these institutions were non-governmental faith-based organizations. These panti cared for 3.2 million of OVC (BAPPENAS, SMERU, and UNICEF). The Majority of these *panti* were privately funded, and relied on the mercy of donors to support the day-to-day operations. The role of *panti* as childcare institutions was reinforced in the Social Welfare Law No. 11/2009 Article 35. This law defines different types of facilities that provide social welfare services. These facilities include childcare institutions (*panti)*, social rehabilitation centers, centers of education and training, social welfare centers, shelters and social protection houses. In Indonesia, half of the children who lived in *panti* were "economic orphans" who still had one or both surviving parents. These economic orphans were abandoned because of poverty. As a last resort, parents of the economic orphans sent their children to these *panti* to gain access to basic care such as food, shelter, education and healthcare.

In 2002, an Indonesian Central Bureau of Statistic (BPS) and MOSA survey found that there were 94,674 street children in Indonesia. In 2008, the population of street children in Indonesia increased 64% from 94,674 to 154,861, a 10.6% average increase per year. It was estimated there would be 500,000 street children by 2020 (Unika Atma Jaya). According to UNICEF there were several factors contributed to this increase including poverty, unemployment, and rural-urban migration. Another key factor was violence at home and/or the breakdown of families through divorce and remarriage (UNICEF 2000, 144-146). Additionally, the AFC triggered this increase in the street

children population (Save the Children, 2005). Many of these street children had "...limited access to essential basic needs such as health and education, and bore the burden of being breadwinners within their families." (UNICEF 2011, 172)

UNICEF defines street children as "any boy or girl... for whom the street in the widest sense of the word... has become his or her habitual abode and/or source of livelihood, and who is inadequately protected, supervised, or directed by responsible adults." (UNICEF 2009, 31). According to Hadi Utomo, Technical Advisor of Indonesian Child Protection Institute (LPA), Indonesian street children are classified into four types. First, children who work and live/stay on the street and who do not have any contact with their families. Second, children who earn a living on the street but have a place to live and maintain contact with their families within a period: weekly, monthly or quarterly. Third, children who work on the street and go home every day. Fourth, children who are delinquent or have committed crimes, and consequently have been disowned by families and/or expelled from school (MONE and UNESCO). Despite various surveys and assessments conducted in the past two decades, there is no data available on the percentage of children living on the streets during the day and returning home at night versus children who had no home to go.

In response to the increasing number of street children, MOSA implemented the '*Program Kesejahteraan Sosial Anak' (PKSA)* or Children Social Welfare Program based on the Presidential Instruction No. 1/2010 and No. 3/2010. The goal of the PKSA was to improve social assistance programs for abandoned children, children living or working on the street, disabled children, and children who need protection. However, MOSA did not provide adequate resources to support this program. According to data released by

MOSA in 2012, there were 300 social workers assigned to serve 158,935 children and support the PKSA program (a social workers – children ratio of 1:530) (MOSA). In addition, this program provided a very small financial assistance of IDR 1,500,000 (USD 120.38) per year (Rahayu, 2014). This financial assistance was provided to purchase staple foods, vitamins, and to pay for educational expenses such as textbooks, school supplies, uniforms, and transportation to and from school. However, the PKSA program did not cover any school tuition and registration fees. The GOI provided financial assistance to cover the school tuition and registration fees through *Bantuan Operasional Sekolah* (BOS) or School Operational Aid program (BAPENAS, SMERU Research Institute and UNICEF (2011). The BOS program was created to reduce the cost of school operations and provide poor students free education (UNICEF, 2011; Suharyo).

5. RESEARCH METHODOLOGY

This research evaluates the impact of Indonesia's mandatory CSR law on education of OVC. This research focuses on the experiences of eight panti (orphanages), one Rumah Singgah (Halfway House), and one company in the implementation of CSR law that focus on the education of OVC (see Appendix A for description of these organizations). As a new area of research, a qualitative approach was taken as the first step for this study to understand the issue from the perspective of each participant. This methodology was chosen to provide flexibility and adaptability in collecting the information based on participant's experiences. The goal of this exploratory research is to understand how the CSR law was interpreted and how the implementation affected the education of OVC.

Three types of data were used in this research: a) existing documents, such as journals, reports, articles, etc., b) in-depth interviews and c) observation. The in-depth interviews were conducted with ten organizations located in the Jakarta metro area (Appendix A). The organizations for this study were chosen based on their location, availability and willingness to participate in this research. These interviews took place at each organization location with appointments arranged in advance. The author used an informal focused interview approach with a set of open-ended questions prepared in advance (Appendix B and Appendix C). The goal of these questions was to have a better understanding of the interviewee's point of view and their current situation and challenges on specific topics. Participants received an explanation regarding the objective of this research. To protect the identity of each participant, all names of interviewees and organizations have been changed. The use of pseudonyms was to not only protect their identity but also intended to allow interviewees to be more open in their responses and speak more freely and critically.

As summarized on Appendix A, eight of the organizations are faith-based panti with one of them serving as panti for disabled children. In addition to these eight panti, one community organization also participated in the in-depth interview process. This organization serves as a children's rights advocacy group that provides alternative education to street children. This type of organization is referred to as Rumah Singgah, or Halfway House or Open House. It provides a temporary shelter for street children and functions as "...a place where children may find refuge, education (literacy program), foods, and psycho-social help" (Matsumoto 45). The tenth organization that participated

in this study was a small company that implemented CSR through their community outreach program and charity events.

6. RESEARCH FINDINGS

6.1. Resources and Programs for Education of OVC

All panti and Rumah Singgah that participated in this research completely rely on donations to support their day-to-day operations. Donations are received throughout the year. Some donors provide direct financial assistance to pay for school tuition, fees, books, uniforms and other educational expenses, as well as other operating costs to run the facility. None of these panti received government assistance including from PKSA program. For day-to-day operations, many donors prefer to donate basic food supplies, clothes, shoes and other necessities. Wendy (for the purposes of confidentiality, all names of interviewees have been changed) from Panti F explained "...many companies provide short-term assistance as part of their social responsibility activities and PR [initiatives]." She added companies generally contact the panti in advance to find out what specific items they need the most for that particular month. Despite the fact that the CSR program in Indonesia is implemented as part of corporate's public relations effort and serves as quasi charities, funding distributed through CSR programs are significant to the well-being of OVC, and their ability to complete high school education and beyond.

The capacity of the panti that participated in this study varies from 10 to 300 orphans (Appendix A). The age of orphans ranges from a few days to college-age. All eight panti have similar objectives, which is providing shelter, food, and education to the children. The majority of these panti are overcrowded by Western standards, and some of the facilities need repairs as well as better maintenance. The lack of ongoing sustainable

funding caused the majority of these panti unable to provide their staff with fair compensation and benefits. Panti with stronger donor base are able to enroll orphans into non-academic activities such as youth sports, music lessons, etc. Only Panti H receives a small monthly financial assistance of IDR 60,000 (USD 4.6) from the government through the BOS program. The BOS program is a government assistance program that provides non-personnel funding to schools with the goal to raise the nine years compulsory educational attainment. One of the objectives of BOS program is to provide poor students free education (UNICEF, 2011; Suharyo). Nevertheless, the financial assistance distributed to panti is less than ten percent of the required monthly education expenses. Thus, based on the information gathered through these interviews, the program's implementation is not clearly defined, lacks transparency and accountability, and does not accomplish its intended goal. Hence, these panti rely on corporate donations through CSR programs to offset education and operating expenses.

Despite the limited funding, the majority of panti enroll the children at private schools. This option was chosen because private schools in Indonesia are known to offer better quality education compared to the public schools. This includes having higher quality teachers, well-equipped school facilities, and offering a wider variety of extracurricular activities. Some orphans at Panti B, Panti E, and Panti F are enrolled at several universities in the Jakarta metro area. All panti that participated in this research paid all education expenses including tuition fee, registration fee, textbook, transportation and other school expenses. These education expenses, from pre-K to college, are funded through individual and corporations donations. Some of the private schools where the

orphans are enrolled offer installment payment on these fees to ease the financial burden of the panti.

Just like other children who live at home with their parents, many orphans are eager to do well at school, finish college and obtain employment with good wages once they graduate. Mark from Panti B observed, "... as for education, all they [orphans] need is the opportunity. When you give them the opportunity, they will grab it." Furthermore, Mark stated that, "We have twenty seven children who are currently enrolled as full time college students at various universities in Jakarta metro area". In order to pay education expenses including college tuition fee, textbook, etc., Mark explained that their panti submitted proposals throughout the year to donors, both individuals and corporates. However, he added, "If we go back to the same donor and ask them [for financial assistance] for the second time, they will say no."

Panti typically use their network to assist orphans who have finished high school, but are not ready or do not have the desire to go to college, find entry-level jobs. Some of these young adults find jobs at retail stores or factories. Once these orphans obtain employment, they move out from the panti. Some of them rent or purchase homes, and start their own family when they are ready. Many of the orphans, who 'graduated' from the panti's program, come back to the panti to visit and/or celebrate Christmas or other holidays. Wendy from Panti F explained "...some of them who live in the area often help teach the younger orphans whenever they can. Many of them still see the panti as their 'home' and the only 'family' they have known."

Panti C practices a more holistic approach to the economic orphans. This particular panti takes care the economic orphans until they reach 15 years old or middle

school. Six months before they completed their middle school, the panti tries to find a way to reunite them back with their parent(s) or immediate family member under certain conditions. However, Gloria, the Head of Residence at Panti C, believes that while this holistic approach considers the best solution for the well-being of the child, it does not work all the time. The success of this approach depends on the parent(s) and/or family member willingness to take back the child, and their financial capacity to care and help the child complete their education. In addition, this approach only works if the child still has parent(s) and/or family members. Gloria added, "If for some reasons the child has to stay, the panti will continue provide the care of the child and fund the child's education until he/she completes high school." Because of limited funding, Panti C cannot support the child's college education. As an alternative, the panti uses their network to find suitable entry-level job for the child.

The Rumah Singgah, or Halfway House, that participated in this study has one main office in central Jakarta. It employs 17 full time dedicated staff with various college education backgrounds and serves over 600 street children. By collaborating with other community organizations, this Rumah Singgah provides services to children from six temporary locations throughout the Jakarta metro area. This organization relies on large college students to serve as mentors to these street children. Additionally it has community member volunteers who help supports this mentoring program. Each college student volunteer is assigned to mentor one or two street children. The majority of them serve as mentors for two to three years or until they graduate (Appendix A). These volunteers are involved in various activities to meet the behavioral, educational, health, legal, and social needs of these children, from literacy to creative and leisure programs.

6.2. Challenges in Providing Education to OVC

Most of these panti and the Rumah Singgah have many similar challenges (see Appendix A) in providing childcare to 1,221 children combined.

I. Lack of reliable funding. This is the main challenge as these panti rely on donations to provide care and education of each orphan as well as pay other expenses. Thus, panti with a higher number of orphans struggle to keep up with the rising expenses. Many of these panti continue accepting abandoned children each year as soon as they can find extra room. None of the panti released any financial information during the interview. Thus, there is no information about the cost of care per child and the average donation amount received each year. With the exception of orphans from Panti H, none of the orphans at these panti has received any government grants, scholarships or other type of financial assistance because of their status as orphan and the limited amount of funding put aside by the government.

It is clear that funding is the most challenging factor to sustain the operations of these panti, even for panti with a stronger donor's base. This was evident in Adam's remarks from Panti A: "Because of the high cost in caring and providing education to orphans, we will close the panti soon after all current orphans are graduated from school and/or college." He explained that foundation A, which is the parent organization of Panti A, would "...focus on the community outreach and service programs, which have higher impact on the community." Currently, in addition to the panti, Adam explained the foundation implemented other programs that have helped over 15,000 children and individuals in the

Jakarta metro area, West Java and Central Java. These programs include mobile

library services, literacy program for street children and children from poor

families, job placement training for young adults with disability, food rescue or

soup kitchen program and many more. These programs are funded 100% by

individual donations and corporates that distribute their resources including

financial assistance through their CSR programs.

II.   Understaffing. The understaffing challenge includes the needs to employ skilled

staff. To fill the staffing shortage, the older children must do house chores. The

panti main caretakers usually setup a task list calendar and display it in the

common area. These house chores include sweeping and mopping the floor,

cooking, washing clothes, baby-sitting the younger children, and many more.

While doing house chores is a good skill to learn, this also takes away from

playtime and socialization. Many of these panti do not allow their orphans to go

beyond the panti facility. Many of these children also suffer from low self-esteem

because of their status as orphans. It is important for the panti not only to have an

adequate number of staff to care for the children, but for the staff to be

professionally trained. Many of the staff receive minimum compensation

including small stipend, free shelter, food, and clothes in exchange for work long

hours. The stipend amount varies. At some panti, it depends on the financial

ability to provide compensation to their staff in that particular month. Wendy

from Panti F stated "...whenever we [panti F] have leftover funds after paying all

the monthly bills, we pay our staff." The lack of funding and government supports

limits the panti's ability to properly compensate their current staff and attract well-trained professionals to work with these children.

III. Lack of government transparency and bureaucratic system. This third challenge prevented orphans from receiving funding and/or becoming eligible for the government's social welfare program. For example, the challenge of obtaining a birth certificate. One of the contributing factors to this challenge is the birth registration cost. According to UNICEF Indonesia, only 55 percent of children under the age of five were registered (UNICEF Indonesia). Despite birth registration being free of charge regardless of the place of residence and economic status, many districts continue to charge a fee to cover transportation expenses, mailing fees, etc. Another factor is the lack of information regarding why and where to obtain a birth certificate. Panti and Rumah Singgah are facing difficulties obtaining this legal document because they cannot meet all the requirement. Some of the requirements include presenting a marriage license of parents and Kartu Keluarga (KK), or Family Card. The Family Card is a legal document required by the GOI to all families that records the key data of all members of a household. Many of these children were born out of marriage. Thus, a marriage license was not available to many of them. They also experience similar challenges to obtain the Family Card. This card is required to obtain a marriage license, Kartu Tanda Penduduk (KTP), or resident's card, passport, as well as to receive government social welfare program including grant and scholarship. Many orphans were abandoned, left behind at the hospital or dropped off at the panti. Thus, the majority of orphans are unable to obtain the required

birth certificates to be eligible for government grants and/or scholarship programs. The lack of documentation also prevents street children from receiving social services and accessing basic education. Samuel from Rumah Singgah stated during the interview, "...many of the street children's parents, if the children still live with their parents, do not understand the importance of obtaining proper identification or have proper documentation to obtain the birth certificate for their children."

It is apparent that funding is the biggest challenge to all panti and the Rumah Singgah that participated in this study. They all expressed similar concerns regarding the inconsistency of funding to support the welfare and education of OVC. As described earlier by Mark from Panti B, funding orphans' education, particularly at the college level, is a very challenging task because it requires a large amount of funding and long-term financial commitment. In addition, government bureaucracy prevents OVC from receiving proper documentation to acquire funding from the government's welfare and education programs. Therefore, funding distributed through CSR programs becomes significant to the well-being of OVC and to their ability to complete high school education and beyond. It replaces the required funding and support when the government has failed to protect and provide care to them. However, many companies design CSR program as charitable activities and as part of their short-term PR strategy.

On the other hand, Diane, the head of CSR program at Company X, stated that it is not easy to find information on which orphanage or Rumah Singgah needs the most help. Because of the lack of data and the large numbers of orphanages and Rumah Singgah in Jakarta, Company X generally does not provide funding to the same

organization more than once. This is consistent with Pranowo et al.'s explanation that in order to benefit the public, in this case OVC, CSR implementation in Indonesia requires more collaborative work among government, private sector and local community.

7. RECOMMENDATIONS

This research identifies a number of issues of mandatory CSR policy and practices in Indonesia that policymakers and corporations should consider. The Indonesian constitution and several laws clearly state that the government is responsible for taking care of poor and destitute children and providing them with protection and financial assistance. Nonetheless, there are many obstacles in implementing these laws. Several factors contribute to these challenges, including competing interests among different levels of government agencies, unclear implementation regulations, lack of transparency and bureaucratic systems. In addition, there is very little coordination among government agencies. To bridge the gap, GOI relies on the private sector to address this social issue by mandating CSR program. The GOI enacted the Law on Social Welfare and the Law on Poverty, which state that panti and Rumah Singgah receive their funding from government, community giving and CSR funds. Therefore, private sector plays a significant role, particularly in addressing education of OVC. By implementing CSR program that focus on education, Indonesian corporations are not only providing the school funding for these children but uplifting individuals and communities from poverty.

Despite the fact that the CSR program is mandatory in Indonesia, it is clear that not all corporations fully understand the mandated CSR law. This is compounded by the lack of enforcement by the GOI. There are no guidelines on how to implement CSR program. The GOI currently does not have the monitoring and evaluating systems to

ensure CSR programs provide the full benefit to the society, in this case the education of OVC. Data and information related to OVC's issues are also very limited. As a result, some organizations conducted their own research and data analysis; however, the findings are not widely shared and easily accessed. The author believes that the solution to this challenge could be by establishing a centralized and unbiased data and information through a website that widely shared and accessible to the public. This online source should encourage more dialogue, action on priorities, best practices and coordination among the key actors: government, corporations, academia and civil society (e.g., NGOs, non-for profit organizations). International organizations that focus on education, children, and poverty alleviation could be brought in to support and fund this online source establishment and on-going operations.

Donations and charity events are commonly practiced as part of CSR program among Indonesian corporations. The consensus among corporations, the GOI and the public is that current CSR practices can sufficiently support the education of OVC. Unless it is redesigned, the CSR programs and activities will continue to fail. The one time donation practice is unsustainable because it fails to support the long-term commitment that is required to fund education of OVC. The evidence indicates the current CSR programs cannot meet these needs. The GOI must provide better coordination and guidelines to businesses on how to distribute resources through CSR programs. In addition, corporations must evaluate their current CSR practices and how it impacts the well-being of OVC and their access to education. Orphanages and Rumah Singgah should make the allocation and use of CSR funding more transparent to promote continuous feedback and a way to evaluate the effectiveness of CSR practices.

Because of the lack of coordination among government agencies and the bureaucratic system, many corporations and foundations took the initiative and created variety programs to benefit their own stakeholders. There are a number of innovative initiatives created by organizations and corporation that participated in this study. For example, Panti A created an outreach program and solicited professionals from major corporations to mentor OVC and provide them with practical skill sets, such as choosing college majors and job interview etiquette. With better coordination, these initiatives can be scaled up and reached more OVC. The author suggests the GOI should collaborate with private sector and civil society organizations to setup a nationwide challenge CSR program initiative that geared toward to education of OVC. This collaborative CSR program initiative should be clearly defined, measurable and promote social innovation from the bottom-up.

8. CONCLUSION

This research has only touched the surface of this very complex issue. Two research questions are answered. First, how was CSR policy interpreted and practiced in Indonesia? Despite CSR being mandatory and important to development in Indonesia, challenges remain. Instead of designing CSR programs that were integrated into the corporate business strategy, as it should be, many Indonesian corporations interpreted the mandatory CSR approach as corporate philanthropy. Thus, one-time donations to panti and Rumah Singgah are seen as sufficient to fulfill the company's CSR program.

Second, how did CSR practices affect the education of OVC? Ten organizations that participated in this research showed that Indonesian corporations practice CSR by providing financial assistance to orphanages and Rumah Singgah. It is clear that these

donations, regardless of the amount and/or frequency, are critical for panti and Rumah Singgah to provide OVC access to education. There is evidence that this funding has had positive impact on OVC educational attainment. These donations become the main financial sources for education of OVC. However, funding OVC education is unsustainable because CSR is currently practice as charity. Funding education requires a long-term commitment that is not evident in the current system.

These results are preliminary with some drawbacks because of limited data and information. Furthermore, this research limits its focus to the Jakarta metro area with ten sample organizations. It is the author's hope to be able to expand this study to other districts/regions or at the national level. In addition, future research could apply quantitative approach to survey the amount and number of CSR activities being conducted and impact on education of OVC. This analysis will help Indonesia strengthen CSR policies and practices as well as learn new ways to implement mandated legislation.

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I have neither given nor received nor have I tolerate other's of unauthorized aid.

APPENDICES

Appendix A
In-Depth Interview Participants' Profile

Organization	Description	OVC	Challenges*
Panti A	- Established in 2000 - Operates an orphanage, mobile library services, literacy program for street children and children from poor families, job placement training for young adults with disability, food rescue or soup kitchen program and many more - Funding: 100% from donations	- Capacity: 10 orphans - Orphans: 10 children (age: 13 - 16 years old) - Staff: 4 people - Volunteers: 6 – 10 - Staff - Children Ratio 1:3 - Orphans are enrolled at private school	- Lack of information and transparency how government funding is distributed for the welfare, education and healthcare services of orphans - Provide funding for college education - Provide quality education to orphans
Panti B	- Established in 2003 - Operates orphanage, free clinic, private school (pre-k – high school), nursing home for the blind - Funding: Minimal government funding (not specified), almost 100% funded by donors - Orphanage assists with job placement once orphans completed high school - Orphan's professions: entry-level position at retail and manufacturing companies.	- Capacity: 130 orphans - Orphans: 85 children (age: 2 – 21 years old) - Staff: 5 people (including 1 nurse) - Volunteers: many (no record) - Staff – Children Ratio 1:17 - Orphans are enrolled at private school (pre-K to 12) operated by the foundation 27 Orphans are currently enrolled as full time college students at various universities in Jakarta metro area	- Lack of information and transparency how government funding is distributed for the welfare, education and healthcare services of orphans - Bureaucratic system to obtain birth certificate for orphans - Lack of funding: limited donors/sponsors who are committed on monthly basis - Finding quality teachers to teach the children
Panti C	- Established in 2001 - Operates orphanage with holistic approach. - Funding: 100% from donations - Donations received throughout the year both from individuals and corporations (in the form of charitable donations)	- Capacity: 120 orphans - Orphans: 48 children (age: new born – 14 years old) - Staff: 36 people (including 1 doctor), 30 staff working directly with orphans - Volunteers: many (no record) - Staff – Children Ratio 1:2 - Orphans are enrolled at private schools	- Lack of information and transparency how government funding is distributed for the welfare, education and healthcare services of orphans - Bureaucratic system to obtain birth certificate for orphans

Source: Author's summer internship project (2016).   *(Table continues on next page)*

Appendix A
In-Depth Interview Participants' Profile (continued)

Organization	Description	OVC	Challenges*
Panti D	- Established in 1996 - Operates solely orphanage - Funding: 100% from donations - Donations received throughout the year both from individuals and corporations (in the form of charitable donations)	- Capacity: 30 orphans - Orphans: 30 children (age: 1 – 18 years old) - Staff: 6 people - Volunteers: none - Staff – Children Ratio 1:5 - Orphans are enrolled at private schools	- Lack of information and transparency how government funding is distributed for the welfare, education and healthcare services of orphans - Bureaucratic system to obtain birth certificate for orphans - Lack of funding: limited donors/sponsors who are committed on monthly basis - Finding staff who are dedicated to the work - Lack of skilled staff with counseling/psychology background who can help with children with special needs.
Panti E	- Established in 2006 - Operates orphanage, rape victim program, and teenage mothers - Funding: 100% from donations - Donations received throughout the year both from individuals and corporations (in the form of charitable donations) - Items donated are mostly food and books. - Orphanage assists with job placement once orphans completed high school	- Capacity: 100 orphans - Orphans: 60 children (Age: 6 – 23 years old) - Staff: 8 people - Volunteers: 4 people - Staff – Children Ratio 1:8 - Orphans are enrolled at several public and private schools and universities - Majority orphans, who are full time workers, enroll at university as part time students. Area studies: computer science, accounting, nursing, education, etc.	- Lack of information and transparency how government funding is distributed for orphans - Bureaucratic system to obtain birth certificate for orphans - Lack of funding: limited donors/sponsors who are committed on monthly basis to help with education expenses and other operating expenses - Lack of skilled staff with counseling/psychology background who can help with children with special needs. - Often children are teased at school because of their orphan status
Panti F	- Established in 1989 - Operates solely orphanage - Funding: 100% from donations - Donations received throughout the year both from individuals and corporations (in the form of charitable donations) - Orphanage focuses on character building, improve self-esteem, and education of each orphan - Orphanage encourages each orphan to finish college	- Capacity: 78 orphans - Orphans: 76 children (Age : 6 months – 22 years old) - Staff: 5 people - Volunteers: many (no record) - Staff - Children Ratio 1:15 - Orphans are enrolled at private schools and universities - Area studies/major: banking, computer science, management, education, theology, etc. - Orphan's profession: accountant, computer programmer, teacher, etc.	- Lack of information and transparency how government funding is distributed for orphans - Bureaucratic system to obtain government funding and birth certificate for orphans - Lack of funding to improve and upkeep the facility as majority of donation is focused on orphan's education - Lack of skilled staff with counseling/psychology and other specialty background who can help with children with special needs. - Relies on donation to support quality education to orphans

Source: Author's summer internship project (2016).   *(Table continues on next page)*

Appendix A
In-Depth Interview Participants' Profile (continued)

Organization	Description	OVC	Challenges*
Panti G	- Established in 2005 - Operates solely orphanage - Funding: 100% from donations - Donations received throughout the year both from individuals and corporations (in the form of charitable donation) - Orphanage focuses on character building, improve self-esteem and education of each orphan	- Capacity: 12 orphans - Orphans: 12 children (Age: 5 – 11 years old) - Staff: 5 people - Volunteers: none - Staff – Children Ratio 1:3 - Orphans are enrolled at private school nearby - Orphanage provides orphans the opportunity to fulfil their potential through additional activities and private lessons in music, ballet, etc.	- Lack of information and transparency how government funding is distributed for the welfare, education and healthcare services of orphans - Lack of dedicated staff to serve orphans - Lack of skilled staff with counseling/psychology and other specialty background who can help orphans
Panti H For Disable Children	- Established in 1990 - Operates orphanage and school for disable children - Funding: government provides less than 10% of the education expenses through BOS program*, the remaining expenses are funded by donations - Donations received throughout the year both from individuals and corporations (in the form of charitable donations) * BOS program provides monthly financial assistance of IDR 60,000 (USD 4.6) per child, while monthly expenses is IDR 750,000 (USD 57) per child	- Capacity: 300 children with disability - Orphans: 300 children (age: 3 – 40 years old) - Staff: 80 people - Volunteers: many (no record) - Staff – Children Ratio 1:4 - 150 children are orphans	- Lack of information and transparency how government funding is distributed for the welfare, education and healthcare services of persons with disabilities - Bureaucratic system to obtain birth certificate for orphans - Limited available government services for persons with disabilities - Lack of skilled staff with counseling/psychology and other specialty background who can help children with disability - Lack of private sector's participation in providing employment opportunity to persons with disabilities - Negative perception and attitudes of society towards persons with disabilities

Source: Author's summer internship project (2016).   *(Table continues on next page)*

Appendix A
In-Depth Interview Participants' Profile

Organization	Description	OVC	Challenges*
Rumah Singgah (Halfway House)	- Established in 1997 - Operates solely as Rumah Singgah or Halfway House for street children - Funding: 100% from donations - Donation received throughout the year both from individual and corporations (in the form of charitable donations)	- Capacity: 600 street children - Orphans: 600 children (age: 1 - 18) - Staff: 17 people - Volunteers: 600 college students who serve as mentors - Staff – Children Ratio 1:1 - Street children are enrolled at public schools	- Lack of information and transparency how government funding is distributed for the welfare, education and healthcare services of street children - Bureaucratic system to obtain birth certificate for orphans - Short-term volunteer's commitment (2-3 years) as the majority of them are college students - High risk of drop outs from program due to lack of parents' commitment to ensure their children stay in school
CSR Program of Company X	- Established 2012 - Implement CSR program a way of 'giving back' and charity event on voluntary basis - Charity events mostly take place on Saturdays - Total funding was not discussed - Staff participation in CSR activities are based on the staff willingness to participate and availability.	- 3 Staff and 15 volunteer staff - CSR program focuses on orphans, street children, and nursing homes - CSR activities were structured to meet the needs of each target group, i.e. orphanages, halfway house, etc. - One of the staff's network referred which organization needs the financial assistance.	- Lack government's initiatives and coordination - There is no official data or information which organizations need the assistance the most and what type assistance is needed - Lack initiatives from the private sector to reach out to community and implement CSR program

Source: Author's summer internship project (2016).

*Challenges were rank based on priority and common challenges expressed during the in-depth interview session by participants.

Appendix B

In-depth Interview Questions with Nine Orphanages and a Halfway House

In-depth Interview Questions: Education of OVC
1. How many children has your organization taken care of since its establishment? 2. How many children is your organization currently taking care of? 3. Where do they go to school? 4. What do they do afterschool and weekend? 5. Who helps them with their homework? 6. What are their challenges at school? 7. How do these children access their basic education?
In-depth Interview Questions: Government Program for OVC
1. What programs does the government offer to help these children access their basic education? 2. How do these children access college education or vocational training? 3. What is the process for these children to access college education? 4. What will happen to those who are not ready and/or not a good fit for college education? 5. What happens to these children after they completed high school and/or college?
In-depth Interview Questions: Challenges in Providing Care and Education to OVC
1. What are the most challenging factors in providing these children quality education? 2. Is the current government program sufficient in providing them education and skills needed to gain employment? 3. What can the community and private sector do to support this program? 4. What are three changes that could make the education better and more accessible for all? 5. Which is the most important to you?

Source: Author's summer internship project (2016)

Appendix C

In-depth Interview Questions with the Head of CSR Program at Company X

In-depth Interview Questions: CSR Program and Organization Background
1. How and when was this CSR program created? 2. How does the organization structure this CSR program and who are responsible for this program? 3. What CSR activities have your organization implemented? 4. How many people are working and volunteering in this program? 5. What are their backgrounds and what are their roles and responsibilities? 6. What activities went particularly well? 7. What improvements does this CSR program need?
In-depth Interview Questions: CSR Program Implementation
1. How many organizations have your CSR program been supported since its establishment? 2. How do you determine which project or cause to support? 3. Where were these organizations located? 4. How did they find you or how did you find them? 5. What type of support did they ask from you? 6. What challenges do these organizations have in common? 7. How does your CSR program help the education of orphans and street children? 8. What happened to the street children after the CSR activity completed?
In-depth Interview Questions: Government's Role, Challenges and Future CSR
1. What initiative and/or incentive does the government provide to your company for implementing CSR program? 2. Have these initiatives and/or incentives provide benefits to the society and help people? 3. What impacts does your organization like to achieve through this CSR program? 4. Where do you see this CSR program five years from now? 5. Will your organization continue CSR programs that support the orphans and street children? 6. What can the private sector and community do to make this type of program better? 7. What changes do you wish to see in providing accessibility to quality education for orphans and street children? 8. What is the most important aspect to you as related to promoting CSR program?

Source: Author's summer internship project (2016).