

# Critical Study of the Accounting Practices of Indonesians State-Owned Enterprises

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**Abstract**— This study aims to analyze the accounting tasks of state-owned companies with Indonesian-ness values. The Political Economy of Accounting (PEA) is an analytical tool used to measure a higher level of education which is then referred to as Indonesian PEA. The concept will be the rationale for conducting studies that provide relevant information. The data used are qualitative data from interviews and direct results, as well as quantitative data in the form of annual reports, reports and financial reports obtained directly from the finance department and the official website of PT. Semen Tonasa. The results of the study show that accounting practices by SOEs companies are still far from Indonesian values. The earth, air and natural wealth contained in the earth of Indonesia are the subjects of people's prosperity but the findings in the community that have not existed from the beginning of the resources managed by the company. The reality of social performance is only in the form of false sustainability because it is still formally legal only limited to broadcasting and even becomes a tool of corporate hegemony. It is important for companies to build awareness that is an integral part of the social and community environment, between companies and stakeholders built a "kinship" relationship. Based on the findings of this study, Indonesian character with social justice can be realized if the commitment to Pancasila and the 1945 Constitution can be actualized by the company through family members. The relationship of "kinship" in which there are human values, brotherhood, togetherness, mutual cooperation, and help, the relationship between the community and the relationship between mutual support.

**Keywords**— Accounting for SOEs, political economy of accounting, Indonesian, social justice.

## I. INTRODUCTION

Capitalist, liberal and secular economic systems, as in the Neoclassical economic doctrine as if it had become the only economic system even though it has proven to have received criticism for its relevance to developing countries, Ormerod, 1994, Stiglitz 2006, Mubyarto 2010). Stiglitz's appeal for economic advisers not to rigidly hold on to the Neoliberal ideology of the Washington Consensus gave a signal of the need to adapt the ideology adopted by a nation. Economists in developing countries in thinking about the nation's economic problems need to embrace the state ideology. Indonesia is a country that embraces Pancasila ideology so that our economic basis must refer to the values of its precepts.

Oehr and Zimmermann (2011) in their research on accounting and welfare reviews that some forces continue to influence accounting practices, such as globalization and others such as accounting scandals, resulting in episodes of change. By adopting IFRS, the Anglo-Saxon paradigm of "information accounting" has become a paradigm that dominates accounting reporting. Convergence in accounting is considered part of the trend of global neo-liberalization (Rodrigues and Craig, 2007). "Neo-liberalization" captures the idea of political economy for human welfare by strengthening private ownership, free markets and free trade (Harvey, 2005).

Proponents of neo-liberalization believe that free markets lead to an efficient and equitable distribution of economic resources, and that increased market transactions maximize economic wealth (Everett, 2003). Part of the extension of market relations is to attract state activity and

delegate decision making to private experts. The international convergence of accounting regulations is consistent with neo-liberalization ideology. Nation states with a long tradition in accounting standards stipulates that they gradually hand over their organizational responsibilities to private (international) organizations or a committee of experts such as the IASB (Oehr dan Zimmermann, 2011).

The standard case for setting Indonesia is similar that the convergence of accounting standards has delegated to the private sector in its arrangement so that the Anglo-Saxon paradigm also colors Indonesian accounting, which in fact is based on cases of American and European countries. Building an Indonesian nation does not require the import of foreign values but what needs to be done is to knit the value of the nation's own wisdom through a deconstruction. Deconstruction is not based on Derrida's value but the value of the nation's philosophy of life. Derrida's deconstruction never leads to certainty of truth so that the nature of relativity is very open to further deconstruction (Mulawarman, 2013: 157). Similarly, O'Donnell (2009: 62) sees the deconstruction of Derrida as always a condition of meaning so that it will lead to multi-interpretation. Thus the version used is based on the values of Indonesianness, Pancasila and the 1945 Constitution, which is a paradigm that is the basis of the political economy approach in building meaningful accounting concepts in Indonesia. According to Mulawarman (2013: 161) in Pancasila there is a unification between science and religion and a real unity between the interests of objectivity and subjectivity, materiality of self, social and society as well as the inner spirituality of the social self and society that has the value of Godhead. This is what can then raise the value of the Indonesian personality in accounting.

The research findings that have been briefly reviewed previously show how business practices still highly prioritize capitalist oriented profit interests. As a result, the accounting practices applied in the company also serve the interests of power owners. Building a fair accounting concept in the context of the fifth principle, will only be realized if there is a balance between the material elements and the transcendental element. Not only trapped in mere material elements. Therefore, the attitude of mutual cooperation and kinship as in Article 33 of the 1945 Constitution will balance the material elements with holistic elements. Subyantoro and Triyuwono (2004: 203) said that the concept of the material used as the main direction in accounting measurement must be balanced with a holistic concept that cannot be measured by a quantitative approach. Using the values of Pancasila and the 1945 Constitution requires accommodating holistic values as well as differentiating them from the materialistic foreign

paradigm. Justice is only imaginary if it denies the value of Godhead and humanity, so the spirit of mutual cooperation and kinship is the trigger.

## II. OBJECTIVES

The purpose of this study is to conduct a critical analysis of the accounting phenomena of state-owned enterprises in accordance with Indonesian values and to carry out a concept review of justice on the use of resources according to Pancasila and the 1945 Constitution and to develop an Indonesian accounting character concept.

The study is expected to provide a variety of uses, namely, Theoretical Uses, Can add valuable treasures to the development of accounting science, especially concerning the accounting issues of SOEs that can be explored from the perspective of the sciences of political, social and cultural economics. Practical usability, for writers can add to the author's insight into Indonesian-Indonesian accounting discourse and practice so that it can become a study of expertise to develop at later stages. For the Company can be a consideration for the company in improving its accounting policy on the commitment of justice in the distribution of profits. And for Science can be a reference material in understanding the flexibility of accounting knowledge for multiparadigm studies and can be a reference for researchers in the same field.

## III. THEORETICAL- CONCEPTUAL REVIEW

### 3.1. Deconstruction of Accounting in a Critical Perspective

Critical social science is based on the philosophy of critical theory, a school of thought that departs from Kant's and Hegel's idealism. An attempt is made to combine orthodox Marxism with social science, thus providing an alternative way for social development (Dillard, 1991: 8). Furthermore, Dillard (1991: 10) determines the ontological, epistemological and methodological perspectives of critical social sciences and compares them to the notion of accounting non-functional views. Burrell and Morgan (1979: 23) present, albeit rather simply, useful comparative typologies that are presented briefly. A quadrant formed by two subjective-objective dimensions and radical rules of change, represents the four classes of paradigm: functionalism, interpretivism, radical humanism and radical structuralism.

One of the main themes of critical theory is about capitalism. In testing capitalism, the exponents of critical theory go beyond Marx's political-economic perspective. Horkheimer, Adorno and Marcuse acknowledged that Marx's political-economic theory had a significant role in shaping political and social theory. But according to them the theory is not strong enough as a basis for

understanding contemporary society. They agree with Marx that capitalism has created internal economic irrationalities, namely the concentration of economic wealth at the expense of workers who cannot consume the commodities they produce. But they are aware that capitalism has consolidated and developed effective mechanisms that can prevent the social revolution.

Conversely, forms of social control in industrial society are not based on physical or coercive aspects. But it is more with subtle and sophisticated forms of oppression that people are not aware that they are oppressed and do not assume that such conditions are abnormal. Such a situation is possible because of the degradation of critical thinking due to massive expansion and technology and the media. For this reason, the exponents of the Frankfurt School turned their attention from the analysis of economic politics to criticism of the use of instrumental reason in modern society. In their view, it is the use of instrumental reason that has produced an industrial culture that blocks the development of autonomous and independent individuals who are able to assess and decide consciously for themselves.

Habermas agrees with his colleagues that Marx's analysis is only relevant for the period of liberal capitalist society in his time, but not strong enough to be used to analyze the current capitalist society. In liberal capitalist society there is a strict dividing line between the state and society. It is the country that makes the rule of law to ensure that a free market economy can run correctly. But the role of the state is limited to making rules, it must not interfere with free markets fully controlled by the capitalist system. Now there has been a shift from private capitalism to state capitalism. The state, supported by technology, plays a significant role. Capitalists today cannot run the business without state support. Thus, what is called the free market is just a memory.

In the perspective of critical theory, positivism is the most effective new form of capitalist ideology and it has an investment in what Horkheimer calls eclipse of reason. Friedman said, "The social ideological function of positivism is to degrade critical reason. Under the authority of positivism, reason cannot inevitably stop its critical activity. The idea of objectivity in the positivism tradition has denied the importance of criticism of reality. In the name of objectivity, facts must be separated from values and findings must be isolated from human interest, even though this is not possible. Because humans when understanding and interpreting reality cannot be separated by certain views, paradigms, desires and expectations.

In critical theory, domination is classified as a dangerous aspect of capitalism. But what is the source of domination in a society? According to Marcus, the source is a one-dimensional awareness that comes from a kind of technological rationality (technological rationality) which

emphasizes diversity. Until now technological rationality requires actions that result in domination, both in nature and in society, because this can only be developed in its relationship with the possibility of technical control.

Like Marcuse, Habermas argues that domination and practical and emancipatory technical reasons lie at the core of domination in society. In his famous book *Knowledge and Human Interest* (1971), Habermas made a meaningful distinction between knowledge gained through self-reflection / communication and technical causality / rationality.

Critical social science is placed in a radical humanist paradigm where accounting is based on the subjective realization of one's life and the need to overcome inhuman circumstances that prevent self-fulfillment. From an objectivist perspective, accounting is firmly embedded in positivism and thus, sees knowledge of the physical and social world obtained through accumulation of activities by seeking consistency and causal relationships. The anti-positivism, epistemological perspective of critical social science, views the social world as relativistic and does not recognize causal relationships, knowledge comes from experience as active individuals in the social world.

Critical social science is rooted in critical theory, so that it focuses on subjective, voluntary actions of individuals as members of society in realizing individuals, and social emancipation. Critical social science is based on "humanistic self-isolation" and is designed to explain social life in general or certain examples in a scientific, critical, practical and non-idealistic manner".

The description of accounting as a socially determined technology does not exclude or dispose of the social dimension of accounting. On the contrary, explicitly recognizing the reality is often overlooked that the social system originates from capitalist-dominated sources. Technically, in fact, it is socially dominated, so substantially, and ideologically, limits possible technological manifestations. In this context, accounting is basically directed to preserve and enhance capitalist control of the means of production.

Uncharted lengthy accounting trips to explore the extent to which accounting domains can be considered as, or can benefit from, critical social science. The philosophical assumptions that underlie functionalist and critical social accounting are presented and compared. The critical social science framework is presented, along with the limitations contained therein. Furthermore, accounting criticism is carried out in a critical social-science view. Especially critical social science theory is used to evaluate two accounting theories that still exist. Laughlin (1999: 76) proposes accounting characteristics, he argues that there are at least four important characteristics of critical accounting. First, always contextual. That is, he

acknowledges that accounting has social, political and economic consequences. Second, he tried to provide meaningful involvement that was done to change (improve) the practice or accounting profession. Third, accounting is related or cannot be separated micro (individuals and organizations) and macro (social and professional). And, fourthly, it is interdisciplinary in that it is directly involved or from another discipline. Thus, accounting is important far more broadly with regard to practice, profession and accounting discipline from traditional research.

Indonesian political economy accounting studies are very much influenced by the regimes that have been in power. Even accounting scandals have shown the failure of the political economy system that prevailed at the time, forcing the government and the standard setter to carry out accounting reforms. Many academics write that the accounting system in developing countries will surely be more Western. Because developing countries occupy subordinate positions in the global economic system, they will have little choice but to adopt accounting policies that serve the interests of Western governments and multi-national companies rather than their own national interests (Rosser, 1999).

Indonesia's position in accounting standards oriented to the West makes our system continue to be hegemonized by them. Even when they also experience a crisis, it will also affect the national economy. Multi-national relations are indeed a necessity but that does not mean having to "parrot" with foreign interests but rather become an economic partner by remaining firm in the sovereignty of the nation. Building an accounting character by itself is not an impossibility as long as the commitment of the nation's ideology really becomes a frame in carrying out accounting reform, not trapped with the issue of globalization. Or maybe because indeed we ourselves are common with the ideology of the nation so that it is more literate towards foreign ideologies.

### **3.2. Political Economy of Accounting: Internalization of Indonesian Ideology**

Caporaso and Levine (1992) explain that the classical period in political economy began with the publication of Adam Smith's (1776) *Wealth of Nations* book until the publication of the *Principles of Political Economy* by John S. Mill (1848). But if you use a looser periodization, you can say that the classical era of political economy began with the emergence of the thoughts of the physiocrats (physiocrats) in the midst of 18th century civilization to the year of Karl Marx's death in 1883, where Karl Marx was indeed regarded as a thinker important political economy. Marx himself is believed to be the first to use the term "classical political economy", where Marx considers that classical political economy

began in the life of William Petty. The term is described as the prevailing economic system in a country.

The development of political economy in accounting has also become an alternative study discourse or accounting research. Since the 1980s, there began to be attention from accounting researchers in understanding the value of accounting in a broader sense, for example in the social, economic, political and organizational context. This kind of attention results in accounting changes being changed, namely accounting begins to be understood as an entity that is always changing in other words, accounting is no longer seen as a finished or static product of a society, but is seen as a product that always changes every time depending on the environment where he lived and practiced

Political Economy of Accounting (PEA) is one of the theoretical frameworks in the realm of critical accounting studies. Critical study (critical study), which later became the inspiration for critical accounting studies, is a form of inquiry that is within the realm of naturalistic paradigm (Irianto, 2006: 144). Accounting studies using the PEA framework are aimed at understanding and evaluating the role of accounting in the economic, social and political context, or reviewing the role of accounting in a particular context, both organizational and broader in the environment. So that it can be said that the study based on the PEA framework, basically strengthens as well as broadens the study and understanding of accounting in its context (Hopwood, 1978), and (Tinker, 1986).

According to Cooper and Sherer (1984: 219), the characteristics of the PEA approach can be formulated in three important ways, namely being normative, descriptive and critical. This imperative is intended to be more radical than just change. Normatively Accounting researchers must be explicit about the normative elements of the framework adopted by them.

Contemporary accounting has thus become closely connected to the problems and priorities of capital and embedded in very social systems where it is used to generate and maintain false awareness of objectivity (Dillard, 1991: 21). Indeed, it has become very related to and influenced by transformative and speculative logic of capital. It is an integral part of the exchange adjudication process that not only strives to create markets but also helps maintain market confidence and thus provides an acceptable summary that ensures the reproduction of existing power relations.

There are three approaches in PEA, namely normative, descriptive, and critical of accounting research so that it can provide a valuable condition for more valuable accounting research. As a relatively new subject, it is not surprising that accounting research is not reflective of other social sciences (eg, criticism of conventional organizational theories found in Burrell and Morgan,



1979: 298). An approach to accounting science needs to be preceded by the assumption that problems in accounting are also a problem within and outside the community, so haruls are analyzed in more depth.

A modified or expanded PEA perspective (modified PEA or extended PEA), local values can be adapted and developed. Justice (and balance), for example, are the main values that need to be internalized in the construct and substance of the report. If not, then what will happen is exploitation, hegemony, and alienation of one or more interest groups against the other (Irianto, 2006: 149).

The established system will always be maintained, so that the injustices that it accumulates will always last forever in proportion to the system. Leaning these inequality must build public awareness to reject the oppressive establishment. In critical accounting, making changes to a system can be done through deconstruction with a theoretical / concept approach that is considered more ideal for creating socially just reality.

#### IV. METHODOLOGY

##### 4.1 Type and Paradigm Research

This type of research is qualitative by using natural *setting* that aims to interpret and analyze the phenomena and done by involving a variety of methods. This research uses a critical paradigm, with the perspective of *Political Economy of Accounting (PEA)* modified by clicking adaptation of the values of Pancasila and the Constitution of the Republic of Indonesia (Article 33 of the 1945 Constitution), hereinafter referred to as PEA Indonesianness that is concept used to understand the role of accounting in the context of the economic, social and political, or social examine how the role of accounting in the context of the values of Indonesian-ness.

This research was conducted at SOE company in South Sulawesi region ie PT.Semen Tonasa (Persero) as the largest manufacturing company in South Sulawesi. PT Semen Tonasa is the largest cement producer in Eastern Indonesia which occupies 715 hectares of land in Biringere Village, Bungoro Sub-district, Pangkep District, about 68 kilometers from Makassar. The Company, which has an installed capacity of 5,980,000 tons of cement per year, has four factories, namely Tonasa II Factory, Tonasa III Factory, Tonasa IV Plant and Tonasa V Plant.

Informants selected from the leadership of the company, community leaders, employees of the company and NGOs amounting to 5 informants Data collection was conducted over 12 months. Collecting data using the method of documentation, direct observation, and observation *participate*. Other than that collect *online* data in the form of annual reports and *sustainability reporting* PT Semen Tonasa.

##### 4.2 Analysis Method

Analysis of PEA in this study as did Tinker (1980) in analyzing the earnings figures in this study that discusses the accounting so that the analysis carried out by means of (1) to understand it as the relation between economic activity with the organizational structure and authority (*power*) of the parties who are interested. Furthermore (2) assess how the distribution of profits is made and whether the values of justice have proceeded properly in the process. Cooper made a similar way and Sherer (1984: 218-219) by connecting the data net income (loss) by the influence of power and conflict, the history and rules of the game (*institutional*) corporate, and foundation of motivation. Then analyzed the relationship between profit with distribution and justice. Therefore, the PEA analysis tools used in this study to *understand* and *assess the* earnings numbers in context.

Furthermore, to explore the meaning of justice appropriate distribution Indonesianness value, we then used the 5th principle of Pancasila and the 1945 Constitution to explore the accounting practices of social justice in a national perspective, the wisdom of the sovereign in the country of Indonesia. In the fifth framework is contained values that are the goals of the State as a goal in living together. So in the fifth sila embodied the value of justice that must be realized in life together. Justice is based and inspired by the essence of human justice that is justice in human relationships with himself, man with other human beings, human beings with society, nation and country and human relationship with God.

Some measures analysis carried out by incorporating the concept of PEA with Sila 5th Pancasila, namely: *first*, to understand in two stages: (1) reveal the meaning and importance behind the figures profit of informants based on understanding, feeling, vision, experience, ratings and its perception. Furthermore, (2) the meanings are revealed to be a guide in understanding the critical analysis of income associated with the context of power (*power*) the parties concerned. The analysis includes anyone who plays, how they portray the *power on*, and lebih important is the way they use power ratings.

*The second step*, assessing the practices of justice prevailing in shaping the economic reality. The value of justice in question is justice covering all parties without exception, including nature and environment. Justice in all joints and stages of human life according to the noble ideals of the Indonesian nation as contained in Pancasila and article 33 of the 1945 Constitution.

#### V. RESULTS AND DISCUSSION

## 5.1 Criticism of SOEs Accounting Practices: Indonesian Value Approach

Carry out business practices in accordance with generally accepted accounting principles that the problem has been solved. The resulting report is claimed to show the perfection of the information needed by the users. Is the information generated from the accounting system really needed and useful for all stakeholders? A definite answer is that if the information is given to owners, management, creditors and suppliers, it will be effective according to their needs. Why? Because they all have business interests, remember "business only".

What about other stakeholders? Society, nature, and future generations are parts that also influence and are influenced by accounting practices. They only become objects of sufferers, parts that are considered not important, do not contribute material, so that only become a burden on the company if it must be considered. Accounting standards do not require special treatment in business. Because businesses must be efficient, fair value, the cost-benefit principle must be a real measure in accounting calculations so that capital can be maintained and continue to bring benefits to its owners.

To make changes in accounting behavior, the most blamed thing is the accounting standard that is considered to be the basis for its application. So is it necessary to change accounting standards? McKernan and MacLulich (2004) say that there are two reasons why this regulation change will not improve the crisis of financial reporting. First, this crisis is substantially an independent essential matter, apart from problems / disturbances caused by regulation. In McKernan and MacLulich (2004) Analysis of the problems conducted by McBarnett and Lehelan (1992a, 1992b, 1999) and Shah (1995) concerning "creative compliance" with accounting regulation, clearly explains that the problem lies in attitude. Secondly, although a little away from the reason why we should not blame the accounting principle because of the problem of crisis financial reporting lies in our differing views on moral principles and moral considerations.

Accounting practices can eliminate the moral dimension and we see this crisis as the basis for the crisis of moral authority and judgment (McKernan and MacLulich, 2004). We see accounting regulations losing the power of moral legitimacy. Morals seem not to be accounting but only for religious activities or in Pancasila education which cannot penetrate the fortress of accounting coated with "steel capitalism". Why accounting science must be far from society and nature, while its existence departs from social reality for the interaction of its environment. It is power that can change all that and the most powerful is money. The rich group

has reduced the values of morality in accounting for greedy traits to accumulate wealth without distributing it for mutual welfare.

SOEs as government companies are also powerless to escape the entanglement of conventional accounting systems, why? The accounting system has been very well established both in terms of theoretical and practical so that it has been schemed so systemically. Its roots are like tangled threads that are difficult to find the knots. This does not mean that the accounting system, especially SOEs, cannot change according to the values of the nation's wisdom. Good actions taken by PT Semen Tonasa, for example, who are willing to share with poor people around the company in the form of "foster care" activities. This program was driven by Mr. Abdul Azis Tahir as the CSR Manager who, according to him, took the initiative with fellow employees through discussions. This program according to him is non-budget, meaning that it is not financed from the company's budget but purely from the salary of each employee who is deducted every month for each adopted child who is at least one person per employee. Other programs with the same scenario are teaching / teacher in high school every Saturday which is held once a month. Including the waste bank program is also an employee initiative program. PT Semen Tonasa's employees conduct social programs are a matter of pride for their commitment to the community and the environment. But at the same time it becomes a concern, because a question arises as to why only employees have such initiatives? It is to be expected that as employees they are well aware that the company should be able to be an economic and ecological solution for the community and the environment, but it seems that the company is ignorant of it, thus encouraging them to take part. Although it will not contribute as much as if the company implementing the program. PT Semen Tonasa's social commitment by the community will receive a variety of responses, some will feel useful, some will assume it is normal and less useful. It cannot be denied that this program will certainly benefit the community, only that they feel they have not touched the needs of the community. Mr. AlamSimpuang Ago as the Biring Ere Village Head (PT Semen Tonasa factory location) revealed that:

Ehhh ... Thank God, with the presence of Tonasa (meaning PT Semen Tonasa), in my opinion, it is enough to contribute only that we still expect more. Quotation expects more ..... because it gets the impact (pollution in the form of dust) every day.

The view of Mr. Alam as the village head as well as the community showed dissatisfaction with the company contribution they got despite still appreciating the benefits of the program. Mr. Alam saw the need for

synchronization between people's expectations and the program, meaning that the company's assistance program should be carried out proportionally according to the level of negative impacts they caused.

This program is not just as if it is an "artificial sweetener" that makes those who feel it become irritating but it needs a program that sweetens naturally and proportionally. Society is not a passive being that is only an object of empty space to accommodate at will the program of policy makers but they are active energies that have critical power over what they experience. They can feel what really happened, they can distinguish honesty and lies. Their rights that have been taken away will not be questioned if they are directly proportional to their economic and social impacts. The irony is that when Article 33 of the 1945 Constitution affirmed the state's control over natural wealth that was used as much as possible for the prosperity of the people but became paradoxical with company practices.

**5.2. Company Profit for Whom: Society and Nature as "Capital Owners"**

Schumacher (1981, 98) criticized the use of natural resources that humans very freely grind mercilessly, as if competing to immediately spend at a very alarming speed. This condition by Schumacher occurs because natural treatment as income continues to be spent as soon as possible, even though it should be recognized as capital. The resources provided by nature, if only recognized as capital, would certainly influence the behavior of the industrial community to save even more. Users will try to reduce the rate of use, as capital is used as effectively and efficiently as possible in order to finance the production process.

The PT Semen Tonasa 2016 sustainability report reviews the Company's existence as one of the largest companies in eastern Indonesia, can be seen from the magnitude of its contribution to stakeholders, the public and the state. In 2016, the Company provided employees with salaries and benefits which increased by 6.5 percent from the previous year. Expenditures to the Government in the

form of taxes increased significantly by 16.68 percent from last year. To suppliers and contractors, the Company is committed to cooperation on the basis of mutual benefits. IDR 2,412 trillion has been issued by the Company to pay them. Compared to last year, it increased by IDR104 billion. Likewise the contribution to the community through the company's social responsibility program, the Company has participated in community empowerment of IDR. 29 billion. Not directly in the form of cash, but in the form of programs.

PT Semen Tonasa's claim is not directly proportional to what people feel. The company's perception as in table 5.1 gets a different response, the community has its own arguments according to what they feel. Bapak AlamSimpuang Ago as the Village Head where the factory location stood felt that the allocation of CSR funds was not distributed proportionally, but was evenly divided into eleven circumferential villages whereas the negative effects received were different. With a disappointed tone, Mr. Alam S.A. conveyed in an excerpt of the interview with him as follows:

..... just an illustration that eleven villages in this circle are uniform for the allocation of the budget, so both far and near are uniform, so I had time to complain to CSR, how could the nominal value of assistance be equated between the village where the factory was located and the village outside, while we the most affected by factory pollution.

Complaints from various parties of the community and NGOs still often become ripples against dissatisfaction with the company's performance, especially in terms of the distribution of economic resources of the company. Even in the company's report, it was acknowledged that there were still frequent complaints made by the residents even though they did not interfere with the operation because they were followed up directly by the Corporate Secretariat Department (SEKPER) and subsequently submitted to the directors. Beriku is a complaint reported in 2016:

*Table.5.2.1: Community Complaints for Company Activities*

Community	Complaint	Follow-up
Lapuko Village Community	CSR Fund Management, road improvement, street lights and labor recruitment	Coordinate with the local government.
Non-governmental organization	Unlicensed mining	Clarification to related institutions regarding permits

Source: PT Semen Tonasa 2016 Sustainability Report

This fact is evidence of dissatisfaction from the community, which although the company only reported as many as two problems but outside the community were

still very dissatisfied with the company's performance. The sense of community dissatisfaction is certainly very relative in believing the truth because company policy

will certainly not guarantee the satisfaction of all parties. The company may have formally budgeted or factually carried out the distribution of space, but is it really in line with the expectations of the community that is still a problem that still arises. Therefore, good communication between companies and communities needs to be an important concern. This is where the principle of togetherness and kinship is needed to be applied to mutual understanding and mutual trust. As an example of the occurrence of disharmony, mutual suspicion and mutual distrust, a local community figure and traditional leader, Mr. Simpuang Ago, felt that Semen Tonasa was

only claiming what they considered social performance. As he stated:

well, if he took the sample about pollution, he did it himself, it should be invited by the public to see what time it was, later in the day that the name was not good, the tonnage was certainly no ee distribution, yes maybe that. I have never been invited to that.

Comparing between company perceptions and society will always find a cross-productive opinion that is counter-productive. People still have suspicion even though companies with standard operating procedures may have been convinced of implementing environmental controls as in the following table:

Table.5.2.2: Environmental Control

Environmental Parameters	Unit	Quality standards	Measurement results		
			2014	2015	2016
Working environment dust	(Mg/m3)	10	1,08	1,16	0,89
Noise in the work environment	Desibel (Db)	85	72,35	71,93	72,66

Source: PT Semen Tonasa 2016 Sustainability Report

The standard standards used by the company to ensure the safety of dust control for example, from year to year show measurements in accordance with quality standards (QS), even in 2016 claimed to be better than in previous years. If in 2015 the measurement results were 1.16 mg / m3, then in 2016 it decreased to 0.89 mg / m3. This figure shows the level of security according to health standards because it is still far below the quality standard with a tolerance of 10 mg / m3. Noise in the work environment is still safe. In 2016 it was 72.66 Db, this number is still tolerable by the ears because it is still below QS 85 Db (PT Semen Tonasa Sustainability Report 2016). This

measurement is what the ordinary people do not understand. Even so, they really need to be involved so that they feel confident that what is done by the company really provides a sense of security for the community.

Fair distribution will always leave a polemic because the size of each party is very multi-interpretive. Measures of satisfaction cannot be fulfilled by the material possessed. So it is very important to reduce disharmony by the conflict with a relationship that is characterized by a sense of togetherness and kinship. The following is a graph of income distribution made by PT Semen Tonasa for the 2014-2016 period as follows:

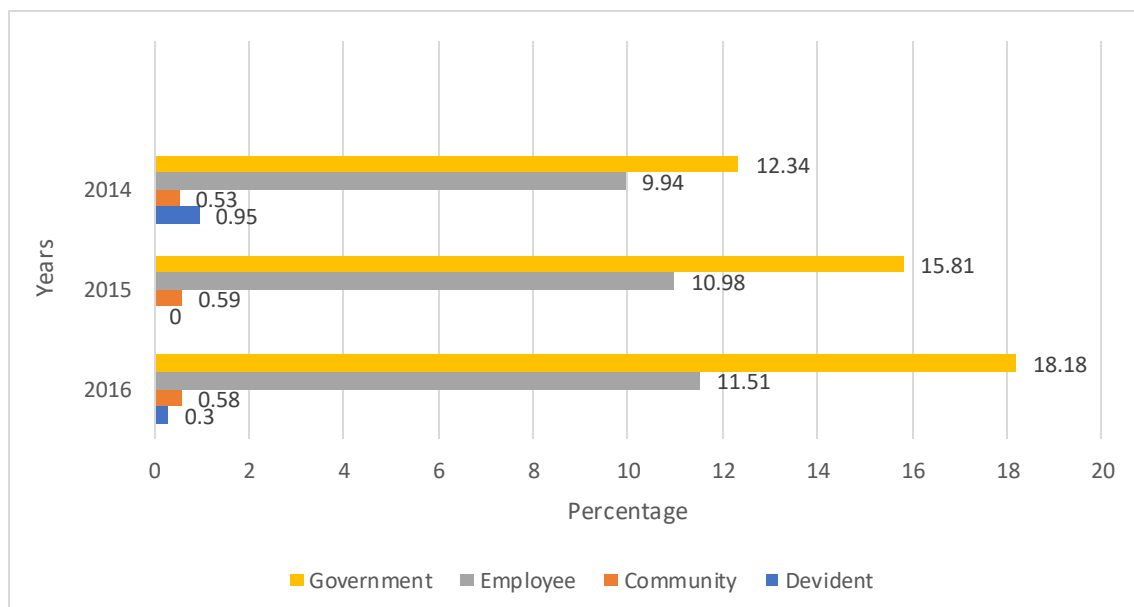


Fig.5.2: Income Distribution Chart (%)



The trend of increasing income distribution to quantitative stakeholders on average experiences a progressive distributive number. Expenditures to the government show the most significant progress. This fact is very relevant to the PEA Tinker concept (1980, 1984) considering that PT Semen Tonasa is a government company so that distribution will be strongly influenced by power. Market considerations in determining the policy direction are not proven by looking at the distribution in the form of dividends that are not a company priority. Communities that include people and the environment are quantitatively consistently experiencing an increase which means they always receive important attention from the company.

Quantification of the value of the distribution can give a picture of the proportional distribution to stakeholders. But in fact the field is still very young found dissatisfaction from several parties. It is also very unfair to feel that the wrong party is addressed to the company. Therefore, the size of the material will not satisfy all parties so that efforts to use non-material values are needed so that harmonious relations between parties can be established well. This principle of togetherness and kinship is needed to foster a symbiotic relationship to understand, love and protect each other.

### 5.3 Towards Harmony with Fair Distribution

Corporate, natural and community relations are in fact necessary. Harmonization is often a problem in its dynamics. Claims and dissatisfaction color the conflict. The company is the most superior party because of the role and stability of its resources. The power of resources will also be distributed to the owners of capital.

Capital owner recognition is only associated with shareholders, so it is only natural that management acts solely for the benefit of the shareholders and it is also natural that the shareholder's bottom line (profit) is the right measure to measure the company's performance. The general argumentation always holds that shareholders are investing, they are also the ones who bear the risk, and therefore they are also entitled to the benefits. However, the company has other constituencies such as workers, customers, suppliers, surrounding communities, and the wider community. All other stakeholders are also investors (Estes, 1996), and they often bear greater risk than financial investors.

"The kinship" that is built between the owners of the company, employees, the community and the government needs to get its own formulation so that the achievement of the country's aspirations in processing the natural wealth possessed for a just and prosperous society can be realized. Following is the scheme of company and stakeholder relationships:

The mandate of the 1945 Constitution article 33, especially in paragraph 3, requires state control over

natural resources. Strategic resources that affect the survival of many people cannot be delegated to the interests of a handful. The role of state control is carried out by the government to carry out the state constitution which is responsible for the management of natural wealth in order to guarantee the prosperity of the people.

The government, in carrying out the mandate of the 1945 Constitution on the control of natural resources, established SOEs as an extension of the government in the economic field. SOEs as the objective of being formed as one of the actors of economic activities in the national economy based on economic democracy and has an important role in the implementation of the national economy in order to realize public welfare. SOEs as managers of strategic business fields and the implementation of public services are given the responsibility to exploit and explore natural resources. The available natural wealth makes abundant sources of raw materials for company production.

Utilization of natural wealth is not solely to provide benefits to the company but to provide benefits to local communities directly or indirectly through the government to the wider community. Natural wealth cannot be separated from the community therefore the rights of the people are a necessity that must be fulfilled. Fulfillment is not just social assistance but rather a guarantee of their welfare. Society and nature are investors who are entitled to claims for company benefits. They are entitled to get results from the company's production. Social profit is a consequence of the social capital that society has. This is the common thread if the commitment to prospering the community really becomes the main goal (bottom line). The relationship between SOEs, society and nature is a symbiosis of mutualism not a symbiosis of parasitism so that the relationship is a family that is connected in a "kinship" circle. Living together, working together and togetherness that will bring together prosperity: companies and communities and natural sustainability are maintained.

### 5.4. Building Indonesian Accounting Character

Character is the values that underlie human behavior based on religious, cultural, legal or constitutional norms, customs, and aesthetics (Ministry of National Education, 2010). If it is associated with accounting science, building the Indonesian character of accounting is a planned effort to make the value of accounting values embedded in knowledge, awareness and actions to carry out values, both towards God, oneself, society, and the environment, as well as with the state. Scientific buildings that have the characteristics of Indonesian-ness characteristics are religious, humanistic, social (social), and have a national commitment.

Accounting with Indonesian character is accounting that relies on the value of Godhead. This concept is the basis that needs are not just material but also attach great importance to non-material. Building a sense of justice will be impossible if it only measures it with material abundance but must be supported by spiritual gratification. Thus, Indonesian-Indonesian accounting is very identical to the recording and reporting system that has divine accountability which serves the needs of all stakeholders with the aim of realizing social justice.

Humanity is the basis of practice that is applied as an achievement strategy to always uphold the human limitations of each individual. Accounting alignment proportionally to the interests of humans (investors) without discrediting other people (employees and society). Humanitarian accounting is accounting that in practice recognizes equality, equal rights and obligations proportionally, mutual love for each other, respect and mutual cooperation. This attitude is a reflection of the principle of kinship as in the mandate of Pancasila and the 1945 Constitution.

The planting of these values is expected to shape the character of accounting science and will further influence the behavior of accounting actors. Character-building values that must be developed in each educational institution are basically a form of universal human character. Amid the diversity of nations in the world, Indonesian people must have Indonesian-ness character. This is a marker of the Indonesian nation that has a different identity from other nations.

Formation of Indonesian character, the frame of nationality and patriotism are the spirit towards changing scientific orientation. The value of national spirit is described as a way of thinking, acting and being insightful that places the interests of the nation and state above their self and group interests. The value of love for the homeland is described as a way of thinking, acting, and acting that shows high loyalty, care, and appreciation for the language, physical environment, social, cultural, economic and political nation.

The character of Indonesianness in the accounting context means having to keep away from a system that only serves capital owners and authorities, but must be able to change views from just profit orientation to nationality and patriotism that not only prioritizes profit but also very empathetic, divine, humanity, community and also natural sustainability. This value becomes very important as an Indonesian-ness character that will become a differentiator with other nations as a manifestation of the sovereignty of the nation that stands on its own. That is the self-image of Indonesian-Indonesian accounting. Indonesia with its diversity, namely differences in religion, race, ethnicity, culture, understanding, and level of education, should not be a weakness but a potential that

must be used to make each other happy. Need to be convinced of all national organs that our existence is always bound by a sense of nationality. Even though we are different in religion, race, ethnicity and culture, we have one thing in common. We both come from Indonesia. Naturally religion teaches us that loving the motherland as part of faith.

The character of Indonesianness in accounting practice can be realized by changing the perspective in the function and purpose of the accounting itself. The purpose of the state in managing the country's natural wealth is for the prosperity of the people, so that the management tools must be synergized with the country's goals. Accounting in this case must be based on nationalism which must also serve the state in realizing the prosperity of its people. The production system cannot be separated from the underlying value, the principle of togetherness and kinship must be formed in each accounting entity. If with "bamboo spikes" alone, Indonesia can gain independence from the invaders, so why should we be pessimistic about our own abilities. In the colonial era, where the people were in all limitations, they were able to stand up and fight to expel the invaders bravely. The heroism of the Indonesian people should be a lesson for the nation's elements to always maintain national values which have proven effective in driving Indonesia out of colonialism.

As a nation that has a long history, forms of Indonesian nationalist awareness in the form of a sense of pride as a nation that has independence and courage, honor, awareness against colonialism, awareness of sacrifice for the nation, nationalism awareness and regional awareness towards Indonesianness. Modern colonialism is no longer taking up arms but the stakes of the ability to continue to oppose the undermining of foreign ideologies that hegemony our economic system.

## VI CONCLUSIONS

Processing natural wealth with distribution based on Indonesian values will always reject the monopoly of ownership. Based on the principles of brotherhood, equality, lack of absolute property rights and the mutualism principle, all elements including the community are obliged to make redistribution even though private ownership through zakat, infaq, alms, state taxes, avoiding extravagance, and do not hoard treasure and prohibit concentration of ownership. In the teachings of moeslimit is strictly forbidden to hoard treasure and calculate it as in the Al-Quran (Alhumazah: 2). Wasteful nature will be very detrimental to sustainability and future generations, so it is also strictly prohibited to carry out massive unattended exploitation.

The basics of Indonesian values will be a differentiator in looking at resource distribution systems that will realize social justice. Social justice in question is the concept of

justice contained in the Pancasila and the 1945 Constitution. The concept of justice does not necessarily have to be measured by the fulfillment of material needs, but can be of a sense, a value order that gives a sense of humanity and peace. The Indonesian people describe a society that is aspired as a "social justice" for all Indonesian people, which means that all people, big, small and from any group and group must be able to enjoy a sense of security and peace so that a just and prosperous society can be realized.

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