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## Reconceptualizing CSR Grant Governance in Regional SOEs: Integrating Maqasid al-Shariah and SDG 17

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### Abstract

**Objective:** This study aims to reconceptualize grant arrangements by BUMDs in CSR programs through a beneficiality principle approach aligned with the Sustainable Development Goals (SDGs), particularly SDG 17 on partnerships for sustainable development. The focus is on formulating recommendations for regulatory concepts that can be applied in the future. This goal is directed to increase legal certainty and the social impact of CSR programs. **Theoretical framework:** The theoretical framework is based on the concept of regulating BUMD's CSR obligations based on the applicable legal basis while incorporating SDGs principles. The principle of the usefulness approach is used as the basis for the analysis of regulatory reconstruction, including the integration of the perspective of maqasid al-shari'ah and SDG 17. The framework emphasizes a balance between legal certainty, public benefit, sustainability, and collaborative governance. **Literature review:** The literature review covers social and environmental responsibility regulations and the concept of grants in BUMD CSR, including the need to reconstruct regulations so that they do not overlap with APBD grants, while supporting SDGs-oriented governance. **Methods:** The method used is normative juridical through the study of legal literature, laws, and regulations to analyze problems and formulate regulatory concepts in line with SDGs values. **Results:** The results show that there is no clear legal terminology for grants by BUMDs, so that it has the potential to cause inequality with APBD grants and needs to be based on the principle of sustainable utility and SDGs-oriented governance, particularly strengthening partnerships (SDG 17). **Implications:** This study emphasizes the importance of clear regulations to increase the accountability of BUMD CSR and ensure tangible social benefits for the community while contributing to the achievement of SDGs. **Novelty:** The novelty lies in the formulation of the CSR concept through BUMD grants based on the principles of usefulness, maqasid al-shari'ah, and SDGs (especially SDG 17), while still paying attention to legal certainty and sustainable development.

**Keywords:** reconceptualization, corporate social responsibility, maqasidu shari'ah, Islamic law, sdgs.

### INTRODUCTION

Regionally-Owned Enterprises or BUMDs (Badan Usaha Milik Desa) are one of the actors that have a role in the private sector and encourage economic development for the welfare of the community. The function of BUMD is very central as a manifestation of

the government's extension of the government's goal of participating in increasing the prosperity of the people. Therefore, the orientation of BUMD leads to (*Profit-Oriented*), which will indirectly have an impact on the development of a region. The existence of BUMD is required to be efficient and practical to compete in business, and must respond to all symptoms of the social needs of a region. The competence of companies and industries can be pioneers of economic power if they synergize with various stakeholders, especially in the natural resources sector. So that increasing competitiveness is not only fixated on productivity and efficiency at the microeconomic level [1],[2].

The concrete contribution of BUMDs in the implementation of social functions can be manifested through the program *Corporate Social Responsibility* (CSR). CSR is a manifestation of social responsibility that concerns corporate accountability to the community and the nation. Juridically, the terminology is not used by the lawmakers, but is replaced with the phrase social and environmental responsibility as stipulated in Article 1, number 3 of the Law. No. 40 of 2007 concerning Limited Liability Companies, that social and environmental responsibility is the company's commitment to participate in sustainable economic development to improve the quality of life and the environment that is beneficial, both for the company itself, the local community, and the community in general [3],[4].

In practice, BUMD CSR is often realized in the form of grants to the community, educational institutions, social and religious organizations, and participation in environmental activities. The government's realization through CSR has a direct impact on certain segments of society. However, juridically, the implementation of CSR carried out by BUMD requires a clear, systematic, and integrated legal framework with regional development goals [5]. So that the mechanism for regulating grants by BUMDs can be legally recognized and has an impact on the welfare of the community.

The grant mechanism is an important instrument in the implementation of CSR programs, and grant arrangements by BUMDs currently have legal wedges including corporate law and state administrative law. This situation triggers the birth of legal uncertainty for BUMDs in carrying out the grant policy, which opens up opportunities for conflicts of interpretation between supervisory agencies and law enforcement officials. However, the implementation of grants that should have moral value and aim to provide social benefits, but on the other hand, has the potential to cause legal problems and policy abuse [6].

The reality of the implementation of grants as part of CSR carried out by BUMDs tends to be formal, unsustainable, and has a measurable impact on the community. This is an implication of the existence of regulations that are indispensable to achieving real, sustainable, and fair social benefits. So that legal certainty can be obtained by business actors, and justice and legal benefits can have a direct impact on the community concerned [7].

Grants regulated in Article 1666 of the Civil Code are termed a form of agreement in which the grantee hands over an item free of charge, without being able to withdraw it, for the benefit of a person who receives the gift of the item, and the Law recognizes the gift between living persons [8]. In the context of local government, in this case BUMD, the law formulates different terminology regarding grants. Based on Article 1, number 20 PP. No. 28 of 2020 concerning Amendments to Government Regulation Number 27 of 2014 concerning the Management of State/Regional Property, a grant is the transfer of ownership of goods from the Central Government to the Regional Government, from the Regional Government to the Central Government, between the Regional Government, or from the Central Government/Regional Government to Other Parties, without obtaining reimbursement [9].

BUMD's concrete steps in realizing CSR through this grant mechanism are certainly influenced by the *rule of law*, and in reality, the law must be recognized and implemented. In the context of state administrative law, it is known as the principle of usefulness as a philosophical and normative principle, so that every policy-making and legal action in this context, including the BUMD grant policy, produces great benefits for the community proportionally [10]. The principle of usefulness is one of the foundations of government administrators in establishing a policy that is oriented to have an effective impact on the community. If the implementation of grants by BUMDs can be accommodated in a good, sustainable, and measurable manner, then the impact of the benefits of the policy will improve welfare for the community. Therefore, a formulation is needed that answers this legal phenomenon by reconceptualizing grant arrangements by BUMDs based on the principle of usefulness, which is a principle of state administrative law, to create *Good Corporate Governance* [11].

Operationally, so that the principle of usefulness has a clear size, the concept of maqasidu Shari'ah is used. Maqasidu Shariah is a benefit or benefit that is oriented towards the benefit of religion, soul, intellect, property, and descendants (family). For this reason, the author researches with the title Reconceptualization of grant arrangements by BUMD in the implementation of CSR based on the principle of benefit based on the principle of benefit based on Maqasidu Shari'ah.

Building upon these considerations, this study introduces a renewed analytical framework that integrates the principle of usefulness, maqasid al-shari'ah, and the Sustainable Development Goals (SDGs), particularly SDG 17 which emphasizes partnerships for sustainable development. The inclusion of SDG 17 is essential, as BUMDs operate within a multi-stakeholder environment involving government institutions, private sectors, and communities. Thus, CSR grant governance should not merely focus on legal compliance, but also on strengthening collaborative networks that ensure sustainable and inclusive social impact [10].

The novelty of this research lies in its effort to reconceptualize CSR grant governance in BUMDs through a multidimensional approach that bridges state administrative law, Islamic legal philosophy, and global development frameworks. Unlike previous studies that tend to examine CSR or grants separately, this research integrates maqasid al-shari'ah as a measurable ethical foundation with SDGs as a global policy direction, thereby offering a more holistic and applicable governance model. This approach positions CSR grants not only as legal instruments, but also as strategic tools for achieving public welfare and sustainable development.

The implications of this study are both theoretical and practical. Theoretically, it contributes to the development of interdisciplinary legal studies by harmonizing national legal principles with Islamic and global frameworks. Practically, it provides policy recommendations for regulators and BUMDs to design clear, accountable, and SDGs-oriented CSR grant mechanisms that enhance legal certainty, prevent regulatory overlap, and maximize long-term social benefits for society [11].

## LITERATURE REVIEW

First, in the study entitled *Implementation of Corporate Social Responsibility (Study on the Community Development Program of the Regional Drinking Water Company of Delta Tirta, Sidoarjo Regency)* The focus of the research is to discuss the implementation of CSR of Regional Drinking Water Companies as Regionally Owned Enterprises in the Sidoarjo district [12].

Second, the study with the title *Legal Position of Corporate Social Responsibility in BUMD based on Law of the Republic of Indonesia Number 40 of 2007*, was carried out with a focus on research in the form of how the position of CSR in Regionally Owned

Enterprises is regulated and how it is implemented. This research focuses on the provisions regulated in Law Number 40 of 2007 concerning Limited Liability Companies [13].

Third, a juridical review of the involvement of local governments in the regulation and implementation of Corporate Social Responsibility (CSR). The research focuses on how local governments are involved in regulating CSR programs [14].

Fourth, prior research has also examined CSR implementation from the perspective of governance quality and accountability, emphasizing the need for clear regulatory frameworks to ensure transparency and measurable social impact. These studies highlight that weak coordination between institutions often results in fragmented CSR practices, particularly in regionally owned enterprises.

Fifth, contemporary literature increasingly links CSR with the Sustainable Development Goals (SDGs) as a global framework for sustainable and inclusive development. CSR is positioned not only as a legal obligation but also as a strategic instrument to achieve broader socio-economic objectives. In this regard, SDG 17 underscores the importance of partnerships among government entities, corporations, and civil society in promoting effective and sustainable development outcomes.

**Table 1. Literature Review**

No	Author/Study Focus	Main Issue	Key Findings	Gap Identified
1	CSR PDAM Delta Tirta	CSR implementation	Community development focus	Limited governance analysis
2	Legal Position of CSR in BUMD	Regulatory framework	Based on Law No. 40/2007	Lacks practical integration
3	Local Government Role	CSR regulation	Government involvement significant	Weak coordination
4	Governance & Accountability	Transparency issues	Need clear regulations	Fragmented CSR practices
5	CSR & SDGs	Sustainable development	SDG 17 emphasizes partnerships	Limited regional integration
6	CSR Grants in BUMD	Collaboration potential	Supports SDGs achievement	No coherent legal framework

In the context of BUMDs, CSR programs implemented through grant mechanisms have significant potential to contribute to SDGs achievement, especially in strengthening institutional collaboration and community empowerment. However, existing studies reveal that the integration of SDGs into CSR governance at the regional level remains limited and lacks a coherent legal foundation. Therefore, this study addresses the gap by incorporating SDGs, particularly SDG 17, into the legal reconstruction of CSR grant governance, aiming to enhance accountability, sustainability, and public benefit in a more systematic and integrated manner.

## METHODOLOGY

This research uses a normative juridical approach that is carried out by examining literature materials or secondary data to formulate legal phenomena concretely with a legislative approach and synchronize between rules as a legal basis and legal reality. The data used in this study is secondary data, which includes primary legal materials in the form of laws and regulations and secondary legal materials in the form of relevant legal literature and journals. The method of data collection is through literature studies by collecting and reviewing legal literature. The data analysis method uses qualitative

analysis, which is defined as a research method based on positivism used to research natural objects [15].

Fourth, recent studies have increasingly emphasized the relevance of the Sustainable Development Goals (SDGs) in shaping CSR governance frameworks. CSR is no longer viewed merely as a corporate obligation, but as a strategic instrument to support global development agendas. In particular, SDG 17 highlights the importance of partnerships among government, private sector, and society to achieve sustainable outcomes. In the context of BUMDs, CSR programs—especially those implemented through grant mechanisms—can serve as a bridge to strengthen multi-stakeholder collaboration and align local development with global targets. However, existing literature shows that the integration of SDGs into BUMD CSR governance remains limited and fragmented. Therefore, this study fills the gap by incorporating SDGs, especially SDG 17, into the legal and conceptual framework of CSR grant governance to enhance accountability and sustainability [16].

To strengthen the methodological framework, this study adopts an SDGs-oriented analytical approach, particularly emphasizing SDG 17 as a guiding principle in assessing CSR grant governance. This approach is used to evaluate how legal norms, institutional arrangements, and CSR practices of BUMDs align with partnership-based development goals. The analysis focuses on identifying the extent to which existing regulations facilitate collaboration between government, business entities, and communities in a measurable and sustainable manner. Furthermore, SDGs indicators are utilized as complementary benchmarks to assess the effectiveness, inclusiveness, and long-term impact of CSR grant policies. By integrating this approach, the study ensures that the proposed legal reconstruction is not only normatively sound but also globally relevant and sustainability-oriented [16].

## RESULTS AND DISCUSSION

### Grant Arrangements by Regionally Owned Enterprises (BUMD)

Regionally Owned Enterprises are important assets owned by local governments to participate in regional economic development that are subject to the Local Government Law. As stipulated in Article 331, paragraph (3), the characteristics and classification of BUMD as a business unit are classified into 2, namely Regional Public Companies (PERUMDA) and Regional Companies (PERSERODA). The existence of Government Regulation No. 52 of 2017 concerning Regionally Owned Enterprises is used as a rule for the implementation of the Regional Government Law, which at the same time has an impact on changes in the legal status of BUMDs as well as procedures for managing and owning BUMD capital. Based on Article 8, the interpretation of BUMD Regional Public Companies (PERUMDA) prioritizes providing general benefits in the form of providing high-quality goods and services as the basis for good management of the company [17]. On the other hand, the difference between Regional Companies (PERSERODA) according to the PT Law is more oriented to seeking profits.

The Board of Directors is the sole holder of control of the company's management function and the main function of the board of directors of a company is the management function in the sense that the board of directors performs the duty of leading the company and the representation function which is interpreted if the board of directors becomes a representative form of the company both internally and externally [18]. In general, however, PT has 3 organs, namely the GMS, the Board of Directors, and the Commissioner, but in the operational practice of the company, the control holder is still held by the Board of Directors. In context, *Corporate Social Responsibility* (CSR) in corporate actions that are oriented towards corporate social care is a form of ethics and

morals offered to the community. The planning of corporate social activities must be carried out in the company's strategic agenda so that these activities are part of the social and environmental responsibility cape (TJSL) [19]. The PT Law is the basis of the main norm that regulates CSR, in Article 74 of the PT Law, which states [20]:

1. Companies that carry out their business activities in the field and/or related to natural resources are obliged to carry out Social and Environmental Responsibility.
2. TJSL is an obligation whose implementation is carried out with propriety and fairness.
3. Companies that do not carry out TJSL obligations may be subject to sanctions.

According to the review of the PT Law, the implementation of social and environmental responsibility (TJSL) is charged to companies in the form of corporations (PT), both private and Regionally Owned Enterprises in the form of PT. Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility of Limited Liability Companies is a derivative of the implementing rules of Article 74 of the PT Law, which provides a detailed description, namely by budgeting the funds that are approved and ratified at the General Meeting of Shareholders [21]. Regarding CSR, it is reaffirmed in Article 1, Number 3 of the PT Law, which states that the company's commitment to participate in sustainable economic development to improve the quality of the environment and life that is beneficial, both for the company, the local environment, and the general public. The implication of the article requires that CSR is not only a legal obligation, but there is an aspect of corporate morality to create a balance between economic growth, the environment, and the welfare of the general public [22]. So based on Law No. 40 of 2007 concerning Limited Liability Companies, *jo.* Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility, which is a technical guide for the implementation of CSR by companies whose types of activities are carried out in the context of CSR include [23]:

- a. Reporting and evaluation mechanism for the implementation of CSR programs;
- b. Arrange cooperation with external parties such as local governments and local communities.

In addition, the implementation of Regionally Owned Enterprises that provide grants through CSR has a legal basis in Government Regulation No. 54 of 2017 concerning Regionally Owned Enterprises. Based on the definition of BUMD as explained, there are two forms of BUMD law, namely: Perumda and Perseroda. Looking at Article 334 paragraph (1) of Law No. 23 of 2014 and Article 5 paragraph (1) of Government Regulation No. 54 of 2017, Perumda is defined as a BUMD whose entire capital is owned by one region and is not divided into shares. Thus, looking at the characteristics of BUMD contained in Article 6 of Government Regulation No. 54 of 2017, Perumda can only be owned by one region. Meanwhile, what is meant by Perseroda based on Article 339 paragraph (1) of Law No. 23 of 2014 and Article 5 paragraph (2) of Government Regulation No. 54 of 2017 is a BUMD in the form of a Limited Liability Company (PT) whose capital is divided into shares whose shares are wholly or at least 51% (fifty-one percent) owned by one region.

Reviewing that Perseroda is in the form of a PT, it must indirectly be subject to the PT Law, which means that it is in legal form and is referred to as a company [24]. The terminology of PT refers to a way of determining capital in a legal entity involving shares that are the company's terminology, and limited refers to the corridor of responsibility of the shareholders, which is limited only to the nominal value of all existing shares. In terms of the classification of the types of BUMD, PERUMDA has a role in managing profits for social and environmental responsibility. The use of Perumda's net profit is regulated in Article 100 of PP Noo 54 of 2017, which explains that the use of Perumda's profit is regulated in the articles of association. These uses are [25]:

1. Fulfillment of reserve funds
2. Increase in quantity, quality of public services, basic services, and pioneering businesses of the relevant perumda
3. Dividends that are the right of the region
4. Tantiem for members of the board of directors and the board of trustees.
5. The use of other profits is in accordance with laws and regulations.

The allowance of net profit that must be paid by the Perumda in a certain amount every year to be used as a reserve fund reaches at least 20% (twenty percent) of the total amount of Perumda, it is based on the application of article 101 [26]. On the other hand, the use of profits obtained from Regionally Owned Enterprises that are obliged to carry out Social and Environmental Responsibility as stipulated in Article 106 of Government Regulation No. 54 of 2017 concerning Regionally Owned Enterprises is prioritized for the purpose of fostering micro enterprises, small businesses, and cooperatives. There is no regulation in general about the specification of the amount, as a form of more optimal implementation, each region can regulate the amount of CSR in each region [27]. The implications of the use of the CSR budget must be measured by the impact obtained by the community in general, so that during the implementation of CSR carried out by BUMD in the context of Social and Environmental Responsibility can be realized appropriately. The principles of Corporate Social Responsibility (CSR) that are successful according to Pearce II and Robinson are as follows [28]:

- a. Identify long-lasting, long-term missions.

Company participation by conducting a study of policies that provide benchmarks for the largest social impact targets on a long-term scale, and are oriented to the solutions that have been identified.

- b. Contributing to what has been done

Companies can maximize their expertise as a form of providing benefits and contributions to the company through a mechanism for contributing goods and services that can improve core capabilities based on the company's field of operation.

- c. Contributing large-scale specialized services

Large-scale cooperative businesses can obtain significant results if the company makes a special contribution that will have a big impact on people's lives.

- d. Weighing the influence of the government

Government policies must be oriented towards real positive benefits by removing all obstacles to corporate participation through CSR programs.

- e. Compile and assess the total benefits package.

Social contributions will provide their own value that has an impact on the company. The assessment is attached to the reputation and position of the company in the eyes of its constituents

As mentioned in Article 92 paragraph (3) of Government Regulation No. 54 of 2017, the implementation of good corporate governance aims to:

1. Fulfilling the interests of BUMD
2. Increasing the value of BUMD companies to strengthen a strong competitive side on a national or international scale.
3. Optimizing the function and independence of BUMD organs with professional and effective management.

4. Strengthening the awareness and integrity of BUMDs on the importance of environmental conservation around BUMDs and improving the quality of BUMD organs in making decisions based on compliance with laws and regulations.
5. Increasing the participation of BUMD in the national economy

CSR itself is born from the principle of *Good Corporate Governance* (GCG), which is a principle of good corporate governance. The principles of good governance include, namely, fairness, transparency, accountability, and responsibility. The pressure point of CSR is responsibility [29]. The following is a comparison of PERSERODA and PERUMDA in the implementation of CSR through the grant mechanism:

**Table 2. Comparative Legal and Governance Framework of CSR Obligations**

Aspects	Perumda	Perseoda
<b>Legal Basis</b>	Government Regulation No. 52 of 2017 concerning Regionally Owned Enterprises	<ol style="list-style-type: none"> <li>1. Law no. 40 of 2007 concerning Limited Liability Companies</li> <li>2. Government Regulation No. 47 of 2012 concerning Social and Environmental Responsibility</li> <li>3. Government Regulation No. 52 of 2017 concerning Regionally Owned Enterprises</li> </ol>
<b>CSR Obligations</b>	Article 106 of Government Regulation No. 54 of 2017	<ol style="list-style-type: none"> <li>1. Article 74 of Law No. 40 of 2007</li> <li>2. Article 106 of Government Regulation No. 54 of 2017</li> </ol>
<b>Implementation of grants</b>	More Flexible and focused on the common good	More rigid and has more risk
<b>Ownership</b>	Regional Head (Capital Owner)	Districts and shareholders
<b>Consent</b>	Regional Head	GMS

Based on the table, it can be interpreted that in the implementation of CSR through the grant mechanism carried out by BUMD, it can be implemented as a form of social and environmental responsibility through the mechanism of granting grants, which can be in the form of money/services/goods. However, there is a difference in the implementation mechanism because BUMD is classified into two forms, namely PERUMDA and PERSERODA. So that in its implementation, there are significant differences to be able to realize the *Corporate Social Responsibility program* that has a direct impact on the community [30].

In the implementation of grants carried out by BUMDs to other parties, they tend to be vulnerable to overlapping APBD grants to the community. This happens because BUMD and APBD are part of the local government. On the other hand, there needs to be an RKAP that must be prepared by BUMD in the form of PERUMDA and a proposal for a CSR grant program to the GMS for BUMD in the form of PERSERODA.

### **The Concept of Grant Arrangements by Regionally-Owned Enterprises (BUMD)**

Regionally-Owned Enterprises or BUMDs, as public legal entities in the regional realm, are part of the regional public policy instruments. In terms of position, it is strengthened that BUMD is not the same as private companies because there is a government regulation that is the basis of Government Regulation No. 54 of 2017, which places

BUMD as a tool of local government that supports economic development and regional services [31]. Article 106 is the juridical basis used as a form of BUMD's responsibility in carrying out social and environmental responsibilities by setting aside net profit and prioritizing its use for the development of micro and small businesses.

The implementation of CSR is often interpreted as giving grants to certain communities or groups that have been designated to receive grants. The legal reality allows for inequality that occurs between grants made by BUMD and APBD grants. CSR through the grant mechanism carried out by BUMD is oriented towards direct actions that do not come from public spending. So definitely the two have different terms, but externally, or actions are almost the same and are often misinterpreted [32].

The absence of normative terms about CSR through the BUMD grant mechanism causes legal inequality that has an impact on misinterpretation by law enforcement officials if the implementation is assessed using the state financial paradigm, so that it causes the criminalization of policies carried out by BUMD. In addition, the implementation of CSR grants carried out by BUMDs does not yet have a clear benchmark of usefulness because it is only a formality, short-term, and has a less measurable impact [33].

This condition shows the need for a conceptual reconstruction in the arrangement of CSR implementation through BUMD grants in order to have a clear and effective legal certainty basis for a general impact. Philosophically, law must provide social benefits as expressed by Jeremy Bentham, that a good law is a law that prioritizes happiness for every individual. According to Jeremy Bentham, there are 7 (seven) quantitative variables called "*hedonistic calculus*" to make an assessment of public policy at the administrative level [34]. The theory is used as the basis for the concept of grants that can be carried out by BUMDs through the CSR grant mechanism that can provide benefits for welfare in general by emphasizing 7 (seven variables of utilitarianism theory, namely:

- a. Intensity of enjoyment;
- b. The duration of the enjoyment given.
- c. Whether or not the fulfillment of pleasure is certain;
- d. Precision to satisfy pleasure;
- e. How consistent the pleasure produced will be followed by similar pleasure.
- f. There is no possibility that the pleasure given will be followed by the opposite sensation.
- g. How many or how wide is the number of people affected by the sense of pleasure?

The state administrative law has guidelines that are used by government administrators as a basis for policy reference that must meet the principles contained in it. The principle of usefulness is a fundamental principle that correlates with the theory of utilitarianism, which then influences the development of modern law and affects public policy. According to Satjipto Raharjo, the law must be placed as a social engineering suggestion (*Law as a Tool of Social Engineering*) that is oriented towards better social change [35]. Thus, the arrangement of BUMD CSR grants must be focused on real, sustainable, and proportionate social development and benefits [36].

The principle of usefulness, packaged in granting grants through BUMD, requires a review of legal norms and their implementation. On a legal basis, the existence of grants through BUMD is still needed to have a position at the level of norms that separate the implementation of BUMD grants, which are products of public services, from APBD grants based on regional finances. So, in terms of legal certainty, CSR through the BUMD grant mechanism can be legitimately justified [37].

The theory of usefulness, or the theory of utilitarianism, initiated by Jeremy Bentham, can be used as a guide for local governments in making a policy. A tool to determine the good and bad of a policy based on actual circumstances, with several choices so that it can be predicted about the results that will be achieved from a policy in providing benefits or needs to be reviewed, so that it can be known as much as the measure of happiness or benefit achieved [38]. The principle of usefulness can be manifested concretely through aspects including:

1. Real Benefits

Policies must have a factual impact that can be felt by the community, not just a normative formality, because they are regulated in laws and regulations.

2. Public Benefit

The benefits arising from an existing policy must reach all segments of society in general, not just individual interests. This can be interpreted as the implementation of policies must have specific community and/or community targets.

3. Sustainability benefits

In fulfilling the measures that must be achieved by a policy. Therefore, policies must be based on clear benchmarks regarding the time period that must be taken to meet policy objectives.

4. Proportionality and Social Justice

The implementation of policies must be proportional to the resources possessed, and there is no inequality in norms and implementation. Nevertheless, benefits must be distributed fairly by being felt by community groups in general without any dichotomy or differences.

The principle of usefulness also looks at the accountability and transparency of a policy by considering the effectiveness of a policy. Based on these factors, the principle of usefulness requires that every policy and factual action of state administrators can produce real, sustainable, and accountable benefits to the community, so that the implementation of a policy has legitimacy and quality in formulating a policy [39].

The reconstruction of the grant concept by BUMD can be carried out through the principle of usefulness put forward by Jeremy Bentham. Legal reconstruction patterns that must be prepared to support general benefits include:

- a. The preparation of regional regulations as the normative basis for the implementation of CSR grants carried out by BUMD, both PERUMDA and PERSERODA, by prioritizing grants to the community in general
- b. The realization of grants carried out by BUMDs must be measured and formulated in the RKAP for PERUMDA sustainably and can be accounted for through the evaluation of each legal action taken.
- c. In the case of PERSERODE, the board of directors, as the formulator of technical policies through the GMS, prioritizes CSR with a grant mechanism.
- d. The CSR grant procedure based on the principle of usefulness is formulated by considering the identification of regional social needs, *benefit assessment*, objective recipient decisions, structured grant distribution, and the impact of social benefits born from the implementation of CSR grants.
- e. As long as the identification of social needs is still considered by improving the quality of community resources (*capacity building*), and is not a formality.

- f. Evaluate all activities carried out by looking at the outputs, changes, and long-term benefits of the implementation of CSR grants.

Based on the description above, it can be formulated that the reconstruction of the concept of granting grants through BUMD CSR that prioritizes the principle of usefulness by considering legal certainty, public benefit, and sustainable development. Referring to the basis of this thinking, it seems clear that there is a desire from stakeholders to implement the principles of good corporate governance. According to the opinion of Teuku Mohammad Radhie, who interprets legal politics as a statement of the will of the state ruler regarding the laws that apply in his territory and regarding the direction of the law, the development of the law is built [\[40\]](#).

The current reality is that the implementation of Social and Environmental Responsibility (TJSL) carried out by BUMDs is known through CSR programs, and there is no juridical regulation that contains the mechanism for granting grants by BUMDs. So, to strengthen the position of BUMDs in the law, it is necessary to update the rules that must be made in the future to respond to the provision of grants through CSR programs carried out by BUMDs.

Generally, the implementation of TJSL is an obligation that must be carried out by BUMD as a form of improving the quality of community resources. Nevertheless, there is a need to reconceptualize the implementation of CSR through the grant mechanism carried out by BUMD, which is more directed to the community directly, to increase sustainable development that is efficient and beneficial to the general public. This is in line with the vision of SDGs 17, which aims to emphasize the importance of partnerships in the context of sustainable development [\[41\]](#).

The renewal of the CSR program mechanism through grants is a form of reform that supports SDGs 17, which prioritizes collaboration between the government, the private sector, communities, and organizations with an orientation towards sustainable development through the macroeconomic sector managed by the community directly by considering a long and measurable period of time. So that the vision of *Sustainable Development Goal 17* can be realized through regulatory updates and the implementation of CSR programs through grants by BUMDs in the future [\[42\]](#). In addition, the policy to reconceptualize the concept of CSR through the provision of grants by BUMDs that prioritize the principle of benefits is also in line with the principle of maqasidu syahriah. When viewed from juridical-theological discourse, the benefits based on the maqasidu of Shari'ah are understood not just as an instrument of purpose, but as a normative framework that requires that every legal policy must be directed to realize the goals of the main objectives that are urgent such as providing benefits for religious life, benefits for the soul, intellect, family descendants and property [\[43\]](#).

Methodologically, the transformation of benefits based on maqasidu Shari'ah into a policy instrument that requires quantitative and qualitative indicators that can capture the aspects of urgent aspects in maqasidu shari'ah to offer a measurement model based on indicator prioritization through methods such as the analytic Hierarchy process (AHP) to produce weights and sub-indicators that are relevant for public program planning so that CSR is on target and more meaningful [\[44\]](#).

## CONCLUSION

First, according to the description above, it can be concluded that the regulation of Corporate Social Responsibility (CSR) through BUMD grants can be carried out and has a juridical position in Government Laws and Regulations. The classification of BUMD is divided into 2 parts, between PERUMDA and PERSERODA, which have different mechanisms but still have an obligation to implement Social and Environmental Responsibility (TJSL), which can be formulated through the Corporate Social

Responsibility (CSR) program. The reconceptualization of the arrangement of CSR programs through grant mechanisms by BUMDs is in line with the vision of SDGs17 by balancing sustainable development that is oriented towards human resources. Second, the reconstruction of the concept of grant implementation carried out by BUMD can be formulated through Jeremy Bentham's theory of utilitarianism, which is oriented to the principle of usefulness based on SDGs 17 and maqasidu Shari'ah. So that the reconstruction pattern still considers legal certainty, public benefits, and sustainable development. Nevertheless, policy formulation to realize the implementation of grants by BUMDs can have a social impact that can be felt by the general public.

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### Author Contribution

All authors contributed significantly to the conception, design, analysis, and writing of this manuscript. Each author has participated actively, reviewed the content critically, and approved the final version of the paper for publication in this academic journal.

### Conflicts of Interest

The authors declare no conflicts of interest regarding this publication. This research was conducted independently, adhering to academic integrity and ethical standards. All findings, interpretations, and conclusions presented in this article are solely the responsibility of the authors.

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