THE IMPLEMENTATION ANALYSIS OF FAIR TRADE AS AN IDEAL MODEL FOR CORPORATE SOCIAL RESPONSIBILITY
(A CASE STUDY AT PT KIMIA FARMA)

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ABSTRACT

Fair Trade is an ideal model of Corporate Social Responsibility implementation, because of the principles contained in the trade fair were able to give an impact for the long term not only for the company, but also gives sustainability to the social conditions of people and environment. Fair Trade is an alternative trade movement that is fighting for their guarantee of a fair purchase price, while improving social and environmental conditions for community producers. This study aims to give evidence about the implementation of fair trade by companies in Indonesia and whether the impact of the fair trade to the company. This explanatory research will explain the impact of fair trade practices that have been carried out by the company in Indonesia. This study conducted through qualitative approach and content analysis method by conducting an analysis of the annual reports, media reports, journals, articles, awards obtained by company, and the results of other relevant or previous studies. In analyzing fair trade practice, researchers conducted a cross-check using the 10 principles of fair trade that has been created and defined by the World Fair Trade Organization (WFTO) as an official institution that lead the fair trade movement worldwide with the object of research on the company PT Kimia Farma which is a largest state-owned company operating in the pharmaceutical sector. Results of research shows that PT. Kimia Farma has been running its operations based on the principles of fair trade although there are two principles not found information. This shows that one company in Indonesia has adopted the practice of fair trade although there is no written evidence or certification of fair trade in the company and acceptable impact companies that implement fair trade practices, fair trade practice impact the company net profit level on year 2011-2015.

Keywords: Corporate Social Responsibility, Fair Trade, Alternative Trade Movement
ABSTRAK


*Kata kunci:* Corporate Social Responsibility, Fair Trade, Gerakan Perdagangan Alternatif
INTRODUCTION

Justice can not wait. This is the proper idiom to describe the spirit activists of the fair trade to fight for economic justice issues, particularly in the field of trade (Noor, 2014). At first the business world is stuck to the doctrine on the search for maximum profit which is the primary mission of the company. This doctrine is true, if it is not for profit, then the business will go bankrupt, so that people and the environment tend to be ignored. After many years, the company has begun to distribute gains on positive activities, namely corporate social responsibility (CSR) as implemented by many companies today. The presence of CSR is as a form of gratitude to those contributing to the company's survival.

The implementation of CSR which is mainly cares for profit is now concerned about the welfare of society and environment balance. Through CSR, companies are now more humane (Prastowo, 2011). In implementing CSR, companies are obliged to respect the same time upholding the rights of a person. It is ironic when a company has been doing community development activities, but on the other hand it ignores the rights of a person's life are the most important in accordance with ISO 26000 which is respect the property rights.

The economic rights is one of the rights that should be accepted by society in order to have a decent life. The presence of fair trade model as a form of implementation of CSR by companies is an appropriate and ideal for increasing the people welfare, because all the activities and products of the company reflects social justice (Prastowo, 2011). Raising awareness of business people in general may affect the values of social and environmental and can be regarded as one of the positive influence provided by the fair trade movement. Fair Trade is an alternative trade movement that is fighting for a fair purchase price, while improving social and environmental
conditions for community producers. Fair Trade movement began to develop since the end of the Second World War, and increasingly gaining an important position as an alternative trading today.

The success of the fair trade movement cannot be detached from consumer awareness to the issue of poverty in developing countries. Source of the problem is believed to be derived from the application of market mechanisms in the international trading system that ends unfair income distribution, the consequences of small producers in poor countries and developing not getting attention. In practical terms, for example, the manufacturer must release the commodity to middlemen or companies with a low price is not even enough to just cover the cost of production. In any trade transaction that holds value fair trade, all parties should benefit, none harmed, let alone deliberately exploited.

Nicholls (2002) says that the market access offered by fair trade has provided the opportunity for producers in developing countries to eradicate extreme poverty. Fair Trade is able to provide a guarantee to consumers that the product is consumed comes from producers who get a decent purchase price on the commodities it produces. It is considered a major role in protecting farmers from unfair trade practices. Unlike conventional trade, fair trade is able to provide a guarantee to consumers that the product is consumed comes from producers who get a decent purchase price on the commodities it produces. The establishment of fair trade market area is now touted not be separated from the interference of large retailers, branders, and other conventional types of enterprises (Murray and Raynolds 2007).

The development of fair trade in Indonesia itself began in the mid-1980s. In its development, fair trade in Indonesia was enough to help poor producers in various areas such as Yogyakarta, Malang, Mataram, Bali to Aceh (Nuraliyah, 2007). One example of a foreign company in Indonesia that have implemented fair trade is Starbuck in Aceh. Starbuck gives an
opportunity to coffee farmers in Aceh for which empower coffee drink as a raw material. Starbuck pay farmers at a reasonable price on the coffee produced. Companies that can ensure that basic materials purchased from farmers are paid a decent price.

It is difficult to determine the effectiveness of the fair trade movement and the effect on the economy of Indonesia. Secondly, it is determined by what are indicators to measure it. If we use welfare indicators of Indonesian society based on the principles of liberal-capitalist economy characterized by income per capita, or based on the volume of business transactions resulted. It is clear that fair trade is not very effective and has no effect on the growth of the Indonesian economy. The simple reason that can be raised is still relatively new movement emerging in Indonesia since the mid-1980s. In fact, some centers dealer products based on fair trade mentioned previously are only available in Yogyakarta that APIKRI, amasu, CD Bethesda, Yakkum, in Solo where the Foundation Samadi as a companion, Lombok is Lombok Pottery Centre, Mitra Bali Ubud-Bali. The existence of the centers of the dealer who is still very little is an indicator that difficult to argue that fair trade has not been effective and have no a significant impact on the economy of Indonesia.

But if we want to separate it from the mainstream indicator by using other indicators such as fairness in trade relationships, gender differences, sustainability, provision of healthy working conditions and safety systems that are open to public accountability, then fair trade is quite effective and give effect to the Indonesia economic condition. Even though, it must be admitted that the level of effectiveness and influence is still very small. It was in view of the fair trade movement is a movement that has not long been grown in Indonesia. But if we look at the per-case as described above, the fair trade movement potential to become a new current in system trade free trade mainstream. This study is basic research that aims to deepened and increase knowledge about the form of the application of fair trade application made by the company in Indonesia.
Problem Statements

1. How is the implementation of fair trade executed in Indonesia, particularly in PT Kimia Farma with a cross-check using the 10 principles created by WFTO (World Fair Trade Organization)?

2. What is the impact received by PT Kimia Farma that has implemented fair trade?

LITERATURE REVIEW

One objective of their corporate social responsibility, the responsibility to the environment. According to Sukoharsono (2007) the phrase “environmental responsibility” has different meaning to different people. For some, it means complying with laws and regulations relating to pollution, waste disposal, and other environmentally issue. For others, environmental responsibility means striving toward sustainable development. According to Petkoski and Twose (2003) Corporate Social Responsibility as a business commitment play a role in supporting economic development, working with employees and their families, local communities, and the wider community, improving the quality of their lives in ways that are beneficial for businesses and Development.

The implementation of CSR in the company is influenced by various factors such as: 1) associated with the commitment of its leader, 2) refers to the size and maturity of the company and 3) regulatory and taxation system regulated by the government. Thus, there are at least three important reasons the business community to respond and develop social responsibility (CSR), namely:

1. Companies are part of society,

2. The business community and the public should have a symbiotic mutualism relationship.
3. Social responsibility (CSR) activity is one way to inhibit or even avoid social conflict.

**Fair Trade**

From year to year, corporate social responsibility (CSR) experiences dynamic development. CSR is no longer viewed as charitable activities, ad hoc and temporary. The concept of social responsibility in the ISO 26000 at least to provide valuable guideline. CSR can no longer be regarded as a social activity of companies that merely momentary. CSR should be sustainable and should really be able to prosper society. Therefore, from time to time developing CSR started with the concept of social innovation (social innovation) to the trade fair (fair trade).

Fair trade is a trade that is based on openness and mutual respect, which aims to create justice, and sustainable development. Through the creation of fairer trading conditions and in favor of the rights of marginalized groups of producers, especially in poorer countries due to the practice of international trade policy.

Based World Fair trade Organization (WFTO, 2016), Fair Trade is a trading partnership, based on dialogue, transparency and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading conditions to, and securing the rights of, marginalized producers and workers – especially in the South.

Fair trade has a purpose to improve the livelihood manufacturers through trade fair, promoting business opportunities and opportunities for producers, to increase consumer’s awareness through a campaign of fair trade, to promote the partnership model in the trade fair, in and campaign for changes in conventional trade unfair.
History of Fair Trade

Based on World Fair Trade Organization (WFTO, 2016), there are many stories about the history of Fair Trade. It all started in the United States, where Ten Thousand Villages (formerly Self Help Crafts) began buying needlework from Puerto Rico in 1946, and SERRV began to trade with poor communities in the South in the late 1940s. The first formal “Fair Trade” shop which sold these and other items opened in 1958 in the USA. The earliest traces of Fair Trade in Europe date from the late 1950s when Oxfam UK started to sell crafts made by Chinese refugees in Oxfam shops. In 1964, it created the first Fair Trade Organization. Parallel initiatives were taking place in the Netherlands and in 1967 the importing organization, Fair Trade Original, was established.

At the same time, Dutch organizations began to sell cane sugar with the message “by buying cane sugar you give people in poor countries a place in the sun of prosperity”. These groups went on to sell handicrafts from the South, and in 1969 the first “Third World Shop” opened. World Shops, or Fair Trade shops as they are called in other parts of the world, have played (and still play) a crucial role in the Fair Trade movement. They constitute not only points of sales but are also very active in campaigning and awareness-raising. During the 1960s and 1970s, Non-Governmental Organizations (NGOs) and socially motivated individuals in many countries in Asia, Africa and Latin America perceived the need for fair marketing organizations, which would provide advice, assistance and support to disadvantaged producers. Many such Southern Fair Trade Organizations were established, and links were made with the new organizations in the North. These relationships were based on partnership, dialogue, transparency and respect. The goal was greater equity in international trade.

Parallel to this citizens’ movement, the developing countries were addressing international political fora such as the second UNCTAD conference (United Nations Conference on Trade and
Development) in Delhi in 1968, to communicate the message “Trade not Aid.” This approach put the emphasis on the establishment of equitable trade relations with the South, instead of seeing the North appropriate all the benefits and only returning a small part of these benefits in the form of development aid. The growth of Fair Trade (or alternative trade as it was called in the early days) from the late 60s onwards has been associated primarily with development trade. It grew as a response to poverty and sometimes disaster in the South and focused on the marketing of craft products. Its founders were often the large development and sometimes religious agencies in European countries. These NGOs, working with their counterparts in countries in the South, assisted to establish Southern Fair Trade Organizations that organize producers and production, provide social services to producers, and export to the North. Alongside the development trade there was also a branch of solidarity trade. Organizations were set up to import goods from progressive countries in the South that were both politically and economically marginal.

**Principles of Fair Trade**

World Fair Trade Organization (WFTO) is the global network of fair trade organizations that advocates for fair trade, ensuring the voices of small producers heard. Currently WFTO has more than 300 members in 70 countries worldwide, and the number of members is growing. Approximately 65% WFTO members are in the South (Asia, Middle East, Africa, and South America); the rest are in other parts of North America, the Pacific, and Europe.

World Fair Trade Organization (WFTO) formulated 10 principles to be followed by organizations in practicing fair trade every day and make sure that the messages in this principle is applied.
Principle 1: Creating Opportunities for Small Manufacturers

The reduction of poverty through trade is the main purpose of the organization who are members of WFTO. The organization supports marginalized small producers, whether they are in the form of an independent family businesses, or groups in an association or cooperative. It would allow them to change the life of uncertainty over incomes and poverty to sufficiency economy. WFTO has a program plan to achieve this goal.

Principle 2: Transparency and Accountability

WFTO have a transparent management and commercial relations. It became possible to all stakeholders to undertake a transparent manner and respect the sensitivity and confidentiality of information provided. WFTO find the right way in which the participatory nature involving employees, members and producers in the decision-making process. This ensures that relevant information is always available to trading partners. Network communication is set up well and is open to all levels of the supply

Principle 3: Conducting Trade Practices

Fair trade organizations conduct trade practices that focus on social, economic and environmental welfare of marginalized small producers and do not solely pursue profit. Is a very professional and responsible to implement this principle when the right time. The buyers of fair trade, recognizing the financial difficulties faced by producers and suppliers, to ensure that they are paid according to the agreement and the order refers to the standard. An advance payment of up to 50% allows on demand.

When the supplier of fair trade in the Southern states received an advance payment, they ensure that the payment has reached the producer or farmer who produces the fair trade products. The
buyer consult with suppliers before canceling or rejecting orders. When orders are canceled through no fault of the manufacturer or supplier, must be provided adequate compensation to replace products that have been prepared. Suppliers and producers consult with buyers if there is a problem with delivery, and ensure proper compensation when the number and quality of the delivery does not correspond to the order list.

Organizations maintain long-term relationships based on solidarity, trust, and mutual respect which will greatly contribute to the promotion and growth of fair trade. This will maintain effective communication with other trading partners. The parties involved in the trade relations considering the increase of trade volume between them and values the diversity of their products which showed growth of fair trade for producers in order to increase their income. Organizations working cooperatively with other fair trade organizations in order to avoid unfair competition. It is also an effort to avoid duplication (replication) design patterns and other organizations without the consent of the parties concerned. Fair trade recognize, promote and protect the cultural identity and traditional skills of small producers as a reflection of the design of their craft, food products, and other related services.

**Principle 4: Payments eligible / Fair in payments**

Fair payment is one thing that must be agreed upon through dialogue and active participation, as this will relate to fair payment to producers and also for the purpose of long-term market. When determining the fair trade price structure is already available, this is what will be used as a minimum standard. Payments eligible provide acceptable social rewards (in the local context) considered by the manufacturer to be feasible and ensure payments are calculated on equality between male workers and female. The importer of fair trade organizations provide the support needed for producers to increase capacity, to enable them to set up a viable payment system.
Principle 5: Ensure no Child Labor and Forced Labor

WFTO obey the rules of the United Nations in terms of legal Rights of the Child and the local / national concerning child labor. WFTO ensure that no forced labor in their work environment. Organizations that buy fair trade products from producer groups either directly or through an intermediary to make sure there is no forced labor working in the production process, and manufacturers meet UN rules on the Rights of the Child, and the Law of the local / national concerning child labor.

All types of children's involvement in the production process of fair trade products (including learning a traditional art or craft) is always reported and monitored and does not entail no adverse consequences for the child's welfare, security, educational purposes, and the need to play.

Principle 6: Commitment to Indiscriminate, Focusing on Gender Equality, and Freedom of Association

Organization Fair trade should not differentiate treatment in hiring, remuneration, access to training, promotion, period of retirement based on race, caste, national origin, religion, disability, gender, sexual orientation, membership in the organization, involvement in politics, status HIV, or age. Organizations provide opportunities for women and men to develop their skills and actively promote women to get jobs and leadership positions within the organization. The organization also gives special attention to matters of health and safety for pregnant women and nursing mothers. Women's full participation in decision-making regarding the increase in the benefits derived from the production process.

The organization respects the right of employees to form and participate in associations / unions. When the right to engage in trade associations / unions are restricted by law or political
environment, the organization will allow independent associations of employees. The organization ensures that representatives of employees are not subject to discrimination in the workplace.

Organizations working directly with producers to ensure women are always paid for their contribution in the production process, and when women do the same thing with men, they are paid at the rate / the same standard.

**Principle 7: Ensuring Decent Working Conditions**

Organizations provide a work environment that is healthy and safe for employees or members. This is in accordance with the legal minimum standards of local / national and ILO conventions on health and safety. Working hours and working conditions for employees or members (or who work at home) well adapted to these conditions, in accordance with the laws of the local / national and ILO conventions.

Fair trade organizations concerned with the condition and safety of the producer group with whom they cooperate. They refer to the foundation, to raise awareness of the issue of health and safety and improve the application of the importance of health and safety at the producer group.

**Principle 8: Increasing Capacity**

Organizations see the importance of improving the development impact on small producers through fair trade. Organizations develop the skills and capacities of their employees and members. Organizations working directly with small producers to develop specific activities to help manufacturers boost the management skills, production capabilities, and access to markets - local / regional / international / both fair trade market and the mainstream market (non fair trade). Organizations that buy fair trade products through the intermediary of fair trade in the South help
organizations to develop their capacity to support a group of small producers with whom they cooperate.

**Principle 9: Promoting / Socializing Fair trade**

Organizations raise awareness of the objectives of fair trade and the need for justice in world trade through fair trade. This was done in accordance with the advocacy skills of each member organization. Organizations provide their customers information about the organization, products and producers who cooperate or annggota that produces the product. Promotion / socialization is always using techniques that honestly.

**Principle 10: Respect for environmental sustainability**

Organizations that produce fair trade products to maximize the use of raw materials from sustainable sources and managed in a sustainable, local products as much as possible. They use production technologies that use low energy consumption and where as much as possible using renewable energy technologies that minimize greenhouse gas emissions. They pay attention to reducing the impact of waste on the environment. The fair trade of agricultural commodity producers minimize their environmental impact by using organic fertilizers or pesticides to a minimum, using production methods wherever possible.

**RESEARCH METHODOLOGY**

To understand the implementation of fair trade implemented in Indonesia, particularly in the company "X" with a cross-check using the 10 principles created by WFTO (World Fair Trade Organization) and the influence received by the company, the author used the approach qualitative research. In qualitative research, the author used descriptive research, where this research only
describe situations or events and do not look for or explain the relationship and does not test hypotheses or make predictions.

Source of data used in this study is a secondary data source for researchers collected data from annual reports, media reports, journals, articles, awards, and the results of other studies relevant to the research. This is to provide a reference for cross-checking on the 10 principles of WFTO. The study was conducted using an alternative approach that is content analysis. Data collection is done on the various types of media as cross-check reference.

**DATA ANALYSIS**

This study is basic research that aims to deepen and increase knowledge about the application form of fair trade is carried by one of company in Indonesia. This study chose PT Kimia Farma Tbk as the subject of research in conducting cross-check to know the impact received by a company that runs a fair trade. The application of fair trade conducted by PT Kimia Farma Tbk can be found in various sources such as annual reports, websites, company policies, media company announcements, reports CSR (corporate social responsibility), the news media, and various sources are easy Downloaded and present related information. Supposedly, the application of fair trade in the enterprises will improve the quality, transparency, providing protection against the interests of minorities, and minimize agency problems. However, the researcher found many cases related to the principles that have been run by PT Kimia Farma Tbk. which cannot be ignored and are entitled to be known the stakeholders.
## Results of Cross-Check of the 10 Principles of Fair Trade

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<th>No</th>
<th>Principles of Trade WFTO (World Fair Trade Organization)</th>
<th>Documentation</th>
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</table>
| 1  | Creating Opportunities for Small Manufacturers | **Findings:**  
- PT. Kimia Farma Empowering Farmers Traditional Medicinal Plants by synergized cooperation with PT Njonja Meneer  
- Low interest rates for SMEs and procurement of exhibition PKBL (Program Kemitraan dan Bina Lingkungan)  
- Development Franchise Systems  
**Cases Found**  
- The case of manipulation of financial statements in 2001  
- The act of fraud by PT Kimia Farma Trading Distribution in procurement medical devices in 2007 |
| 2  | Transparency and Accountability | **Findings:**  
- PT Kimia Farma publishing financial reports, their activities on the official website of PT Kimia Farma  
- Living Legend Award to the Company which has the best financial performance along 2014  
**Cases Found**  
- The case of manipulation of financial statements in 2001  
- The act of fraud by PT Kimia Farma Trading Distribution in procurement medical devices in 2007 |
| 3  | Doing Fair Trade Practices | **Findings**  
- Kimia Farma prevent monopolistic practices and debt bondage system conducted by brokers to farmers  
**Cases Found**  
No information, issues and related cases relating to these principles |
| 4  | Payments eligible / Fair in payments | No information, issues and related cases relating to these principles |
| 5  | Ensuring no Child Labor and Forced Labor | **Cases Found**  
- Conduct violation of the rules of labor outsourcing |
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<th>Commitment to Indiscriminate, Focusing on Gender Equality, and Freedom of Association</th>
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<tr>
<td></td>
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<td>- PT Kimia Farma produces antiretroviral drug Efavirenz types for people with HIV / AIDS</td>
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<td>- PT Kimia Farma (Persero) Tbk similar treat workers (fair)</td>
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<td><strong>Cases Found</strong></td>
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<td>- Regulation of Health Care Costs Help Retired Kimia Farma Decision Number: 035 / YKKKF / 01-IX / 2010 with decision No. 051 / YKKKF / IV / 2011 rated highly discriminatory</td>
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<th>Ensuring Decent Employment Conditions</th>
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<td>- The Company's commitment to Health and Safety, and the Environment</td>
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<th>Provide capacity building</th>
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<td>- Community Development Program</td>
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<td>- Employment Relations Industrial</td>
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<td>- Partnership Program</td>
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<th>Promoting / Socializing Fair Trade</th>
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<th>Respecting environmental sustainability</th>
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<td></td>
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<td>- Eco-Friendly Program - Building Systems &amp; Sustainable Behavior</td>
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<td>- PT Kimia Farma Tbk in cooperation with the Community Waste Bank Hijau Lestari Bandung held healthy walking activities coupled with the movement of planting 1000 plants</td>
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<td>- Award for Environmental Sector</td>
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Impact received by PT Kimia Farma Tbk that have implemented Fair Trade

One of the characteristics of a company has implemented fair trade is to conduct certification that has been set by FLO (Fair Labelling Organization) as an organization that is responsible for certifying the top of a company. PT Kimia Farma Tbk as the largest pharmaceutical company in global-owned enterprises, has not certified fair trade in the products they produce, which indicates that the company did not carry out a fair trade practices in its corporate social responsibility activities. However, based on the results of cross-checking the researchers did with 10 trade fair trade principles that have assigned by WFTO (World Fair Trade Organization), PT Kimia Farma Tbk has been following these principles. Researchers looked at the impact received by the practice of fair trade on financial performance of PT Kimia Farma is reflected Net Profit.

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<td>2011</td>
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<td>2012</td>
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<td>2013</td>
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<td>2014</td>
<td>236.53</td>
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<td>2015</td>
<td>252.97</td>
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Although not explicitly or written PT Kimia Farma has been practicing fair trade, but the results of our analysis by using cross-checking method by using the guidelines of the 10 principles set by WFTO (World Fair Trade Organization), PT Kimia Farma in conducting activities trade and CSR has been conformed to the principle of fair trade. The impact that researchers see only look from the company just is not seen from the impact received by the partners of PT Kimia Farma.
because the number of the partners of PT Kimia Farma spread across several provinces, leading researchers to more focused on the impact received from the company that runs the practice of fair trade that can be seen on the financial performance of the years 2011-2015 that have been found data or information related to the results of the increase in net income of PT Kimia Farma every year from 2011 to 2015.

CLOSING

Conclusion

Fair trade is an effort in the field of trade which aims to create justice, and sustainable development, calls for fairer trading conditions and in favor of the rights of marginalized groups of producers or small producers. The application of fair trade is done by PT Kimia Farma as implied in the company method of running the business. This can be seen from the disclosures made by PT Kimia Farma Tbk. The application of fair trade can be seen in the annual report, the news media, journals, articles, and awards that were obtained. The conclusions obtained are:

1. Fair trade would have a great impact on small producers throughout Indonesia. Because producers can continue to conduct its business activities with the maximum gratitude to the fair trade where the outcome of the plantation or farm was bought at a reasonable price. Not just bought, they will cooperate with other companies in the same industry in which the company consistently needs some materials produced for his company.

2. Kimia Farma Tbk, which is the largest pharmaceutical company in Indonesia and state-owned enterprise (SOE) has been practicing fair trade although it is still implicitly. Of the 10 principles that have been made by WFTO (World Fair Trade Organization), the
researchers only found eight principles that have information related to activities by PT Kimia Farma, which corresponds to the eight principles, while the other two principles are not successfully found.

3. The impact received by PT Kimia Farma is positive, get seen from Net Profit. Based on the annual report of PT Kimia Farma from 2011 to 2015, there was an increase in net income of pt kimia farma every years. But in relation with implementation SFAS 24 (revised 2013), “employment benefit,” effectively applied since January 1, 2015 and implemented retrospectively there was a restatement of Audited Financial Statments 2014 that affected PT Kimia Farma Financial Statements.

**Research Limitation**

There are number limitation in conducting this research such as:

1. In this study, researchers only use the secondary data obtained from the Annual Report, the official website of PT Kimia Farma, internet, and other documents that resulted in this study only viewed from the position of company only and not see it from the side of the partners of PT Kimia Farma. PT Kimia Farma has Partners are numerous and spread in four provinces of Banten, Jakarta, West Java and Central Java.

2. It's hard to get information because almost all companies in Indonesia have not declare themselves officially as the company which adopted the fair trade, particularly a public company listed on the Stock Exchange, both at the company's annual report, the company's website or other information regarding the practice of fair trade.

3. The limitation on the previous studies related to fair trade in Indonesia availability make the researcher lack of prior information about the research on fair trade.
4. The lack and difficulty to find documents and written information such as books about fair trade makes this research discussion on the fair trade is less deep.

**Suggestion**

Based on this research, the author suggests some points as follows:

1. The practice of Fair Trade as a model CSR implementation is expected to be done by companies in Indonesia both companies are state-owned (BUMN) and private companies that built his company in Indonesia to increase the welfare of society around and can also have a positive impact on the long-term effect for the community.

2. It is expected that further research uses more companies of the same field as the comparison of the fair trade practices implementation.

3. For further research, research on fair trade practices at companies in Indonesia could further explore the impact received by the partners who have worked together with big companies in Indonesia. where one of the principles of fair trade no. 1 on Creating Opportunities for Small Manufacturers, which allows them to change the living of uncertainty over incomes and poverty to economic sufficiency and obtain information directly from them, the impact of what they have earned.

4. For further research, the study on the implementation of fair trade in Indonesia could also be associated with GCG. Because, indirectly the application of fair trade practices may be embodiments of GCG.
REFERENCES LIST


