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Environment and Social Framework: Compromise of Interest as Social Conflicts Resolution in Infrastructure Projects

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ABSTRACT

This research is a development from the previous studies that aimed to test the ability of the World Bank's Environment and Social Framework (ESF) in minimizing the impact of social conflict projects in the context of environmental and social protection. The study used samples from infrastructure projects in Indonesia sourced from the State Budget throughout 2018-2021. There were 120 respondents who participated in this study by filling out a questionnaire. Meanwhile, secondary data is obtained through indexes and official government data regarding the condition of local communities that reflect the level of interest. Using PLS-SEM method, the results of significant influence from ESF in minimizing the potential impact of social conflicts in the project were obtained. ESF can effectively become a "compromise of interest" for the project and the community. This study also proves the independence of ESF, where both interests are unable to affect the quality of ESF. This proves that the position of ESF as an effective legal tool in managing environmental and social impacts needs to be strengthened by firm regulation. The results of this study are expected to help further research in finding differences in project social conflict behavior based on cultural differences in Indonesia.

1. INTRODUCTION

Sustainable development has undergone considerable development in recent decades. Government authorities in the world have shown great attention to the impacts of environmental and social damage due to human activities in the economic sector which have implications for the deterioration of the quality of the environment and the vulnerability of social structures in society. In Indonesia, previous research has revealed a significant increase in indicators that indicate potential development failures to achieve people's welfare. According to the data of the Ministry of Law and Human Rights, the number of reports of violations of the Right to Welfare has increased significantly throughout 2017-2021. The increase was linear with the growth of the infrastructure budget spent by the government in the same period based on Indonesian Ministry of Finance data (Figure 1). Sanggoro et al. [1] stated that in 2020, the infrastructure sector ranked second highest as a cause of conflict with a contribution of 25.12% of the total reported conflict. Furthermore, Indonesian Legal Aid Foundation (YLBHI) reported that agrarian conflicts resulting from infrastructure development reached 488.40 thousand hectares in 2018 which spread across 16 provinces in Indonesia. This condition has become a development problem faced by all countries in the world and has prompted the World Bank [2] to carry out reform efforts on the concept of environmental and social protection to significantly reduce the impact and risk of environmental and social damage.

Sanggoro et al. [3] revealed in his study that in the context of the social conflict of the project, the influence resulting from the interests of the local community is more dominant than the influence from the interests of the project itself. The strong dominance of the interests of local communities affected by the project shows that the role of the community as part of project stakeholders must be optimized as the subject of sustainable development to achieve national development goals [4]. This is corroborated by Omenge et al. [5] who stated in his research, that community participation is a factor that has a significant influence in conflict identification. Furthermore, it is explained that in the ESIA (Environment and Social Impact Assessment) the active participation of the public in the monitoring process of project activities will improve the quality and accuracy of the results of environmental and social impact testing. However, active community involvement in construction activities also has the potential for conflict. The interdependence between the project and the community will results to the emergence of interests on each party and these differences in interests have the potential to create conflicts [5, 6]. To minimize these conditions, a protection framework is needed that is integrated in the concept of "middle way interests" or "compromise interests" as a shared commitment in fulfilling the rights and obligations of each party in the context of environmental and social protection [3].

This research is a development of previous research aimed to reveal the need for an integrated environmental and social framework in Indonesia by proposing the concept of the World Bank's Environmental and Social Framework (ESF) as a moderating variable in the model of internal and community interest relations to the impact of project social conflicts [1, 3, 7]. The model in this study will use measurement parameters on the internal interests and interests of affected local communities as well as the impact of project social conflicts

as revealed in preliminary research. By figuring out the effect of the environmental and social framework in the project's social conflict impact management model, it is expected to contribute to the Indonesian government in considering the preparation of a standardized and integrated environmental and social framework. In addition, the model generated in this study can help construction actors to predict the effect of the applied environmental and social framework and its effect on the impact of potential conflicts based on the level of interest that affects in the project.

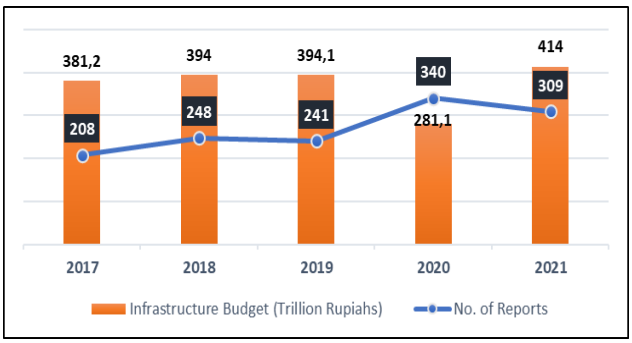

Figure 1. The comparison of infrastructure budgets and number of reports of human rights violations caused by development
(Source: Ministry of Finance and Ministry of Law and Human Rights of The Republic of Indonesia)

2. LITERATURE REVIEW

2.1 The interest of project stakeholders

The involvement of the public in the project involves many stakeholders such as the government, NGOs, the media and the general public [8]. In a project, stakeholders are people or groups of people who influence or are influenced by the project [9]. According to Sanggoro et al. [3], the internal interests and interests of the affected local community are factors that have an influence on the impact of the social conflict of the project. As a development of previous studies, the factors used in this study use the factors that have been revealed.

The level of internal interest is determined by the interest in the performance of the project [9], the established business interests [10-12], the characteristics of the project [13] and the personal and project team interests [14, 15]. Meanwhile, the level of interest of local communities is measured from economic, social, environmental [16-19] and cultural aspects [20-22].

In preliminary research, where interests are directly linked to the impact of the social conflict of the project, the influence of community interests on the magnitude of the conflict impact predominates over the influence of internal interests of the project [3]. However, in the context of this study, these interests will be modeled together with the Environmental and Social Framework (ESF) as a concept of compromise of interests in an effort to minimize the effect of interests on the impact of social conflicts in the project.

Based on the discussion above, the relationship between the factors of importance to the ESF and the potential impact of social conflict in the project has a close relationship as a cause-and-effect relationship. Hence, it is necessary to examine the influence of each factor on the quality of ESF and the impact of social conflict in the project as set out in the hypothesis below. The measuring parameters on these internal importance factors are shown in Table 1.

Table 1. Parameters to measure the level of interest in the project

Variable/Dimension	Indicator
Internal Project Interests (X1)	
X1.1 - Project Performance [21, 23-30]	X1.1.1 - Cost X1.1.2 - Quality X1.1.3 - Time X1.1.4 - Safety Health & Env. (SHE) X1.1.5 - Customer Satisfaction
X1.2 - Company Business Performance [14, 25, 26, 28]	X1.2.1 - Company Profitability X1.2.2 - Financial Performance X1.2.3 - Sales Revenue X1.2.4 - Business Diversification
X1.3 - Project Characteristics [5, 13, 24, 27, 30]	X1.3.1 - Complexity X1.3.2 - Project Scale X1.3.3 - Contract Type X1.3.4 - Scope of Work X1.3.5 - Project Location
X1.4 - Personal and team interests [14, 23, 25]	X1.4.1 - Promotion System X1.4.2 - Income/Salary X1.4.3 - Compensation and benefits X1.4.4 - SOP (Job Description) X1.4.5 - Employment status X1.4.6 - Training and Dev. Competency X1.4.7 - Work Relationships/Teamwork
Local Community Interest (X2)	
X2.1 - Economic Conditions [17, 29, 31-33]	X2.1.1 - Unemployment Rate X2.1.2 - Reg./Province Min. Wages X2.1.3 - Poverty Index X2.1.4 - Gini Ratio X2.1.5 - Economic Growth Rate X2.1.6 - Income per capita
X2.2 - Social Conditions[17, 18, 20, 23-25, 28, 29, 31, 33, 34]	X2.2.1 - Human Dev. Index X2.2.2 - Net Enrollment Ratio (High School Level) X2.2.3 - Homeownership X2.2.4 - Indonesia Disaster-Prone Area Index (IRBI) X2.2.5 - Food Security Index X2.2.6 - Political Vulnerability Index X2.2.7 - Number of Health Facilities
X2.3 - Environmental Conditions [13, 17, 18, 29, 31, 33]	X2.3.1 - Water Quality Index X2.3.2 - Air Quality Index X2.3.3 - Land Cover Quality Index X2.3.4 - Environmental Quality Index X2.3.5 - Wetland Area X2.3.6 - Dry Field/Garden Area X2.3.7 - Shifting Cultivation Land Area X2.3.8 - Social Forestry Area
X2.4 - Cultural Conditions [21, 22]	X2.4.1 - Religion X2.4.2 - Ethnic group X2.4.3 - Language X2.4.4 - Information Access

Table 2. Environmental and social framework measurement parameters

Var./Dimension	Indicator
M - Environment and Social Framework (ESF) [2, 7]	M.01 - ESS-01: Assessment and Management of Environmental and Social Risks and Impacts
	M.02 - ESS-02: Labor and Working Conditions
	M.03 - ESS-03: Resource Efficiency and Pollution Prevention and Management
	M.04 - ESS-04: Community Health and Safety
	M.05 - ESS-05: Land Acquisition, Restrictions on Land Use & Involuntary Resettlement
	M.06 - ESS-06: Biodiversity Conservation and Sustainable Management of Living Natural Resources
	M.07 - ESS-07: Indigenous Peoples
	M.08 - ESS-08: Cultural Heritage
	M.09 - ESS-09: Financial Intermediaries
	M.10 - ESS-10: Stakeholder Engagement & Information Disclosure

H1. Internal interests have a positive effect on the social conflict impact of the project.

H2. Community interests have a positive effect on the social conflict impact of the project.

H3. Internal interests negatively affect the environmental and social framework.

H4. Community interests negatively affect the environmental and social framework.

2.2 Environmental and Social Framework (ESF) of the project

The adoption of the concept of sustainable development in construction in Indonesia continues to be maximized with the ratification of environmental and social protection conventions in government laws and regulations [7]. Likewise, the efforts of the World Bank [2] in presenting the concept of environmental and social protection that has been reformed to be proposed as a new concept of global development governance. As a global concept, the framework proposed by the World Bank should be relevant and supported by the domestic legal conditions of each country that will implement it. Evaluation and feedback on the World Bank framework is needed as a reflection and a parameter of the legitimacy of countries as stakeholders in the context of environmental and social protection [35-37]. The World Bank's framework is structured in 10 safeguard clauses which include (1) ESS-01; (2) ESS-02; (3) ESS-03; (4) ESS-04; (5) ESS-05; (6) ESS-06; (7) ESS-07; (8) ESS-08; (9) ESS-09; and (10) ESS-10 (Table 2). Meanwhile, in the positive legal system in Indonesia there are several laws that regulate environmental and social protection, including: Law 32/2009 on Environmental Protection and Management; No. 2/2012 on Public Land Procurement; No. 7 of 2012 concerning Social Conflict Handling; No. 5 of 1990 concerning Conservation of Biological Resources and Their Ecosystems; No. 11 of 2010 concerning Cultural Conservation.

Collaboration is needed to develop and test the effectiveness of the framework based on the domestic legal system in Indonesia. Sanggoro et al. [7] revealed that there are 16.22% of critical indicators in the environmental and social framework required serious improvement in the performance of the project implementation in Indonesia. This indicates that an integrated and standardized environmental and social protection framework is a necessity that must be immediately realized by the government and national development stakeholders.

The World Bank's claims and expectations about the effectiveness of framework reforms in minimizing the social and environmental impacts of development need to be examined in this research hypothesis. To measure it effectively, the parameters of the environmental and social framework are designated as in Table 2.

H5. The environmental and social framework negatively affects the social conflict impact of the project.

H6. The environmental and social framework reduces the influence of internal interest relationships and community interests on the social conflict of the project.

2.3 Impact of project social conflicts

Differences in interests of each stakeholder that take effect and influence the project will create conflicts that trigger conflict in the project. Generally, conflict is a bargaining situation between the parties to achieve their interests. Success in achieving the objectives of a party's interests depends on the choices and decisions of the other party [5]. Such conditions need to be moderated with a policy tool that can be accepted by the conflicting parties [1].

Referring to the research of Sanggoro et al. [1, 3], conflict of interest in the project can result in social conflict of the project triggered by task conflict [6, 38], rule conflict [1], affective conflict [39], value conflict [1]. Conflicts within projects have a negative impact on performance. Cost and time are the most affected factors in the conflict [3].

Based on the discussion above, conflict can occur as a result of each of these conditions. Each type of conflict has a specific impact on the project. Table 3 provides the parameters used to measure the impact of conflicts according to the types of conflicts that commonly occur in projects.

Table 3. Project social conflict impact parameters

Var./Dimension	Indicator
Y - Project Social Conflict Impact [1, 5, 6, 30, 38, 39]	Y.1 - Task Conflict - cost overruns
	Y.2 - Task Conflict - delay of schedule
	Y.3 - Rule Conflicts - complaints of loc. worker
	Y.4 - Affective Conflict - how conflict is resolved
	Y.5 - Value Conflict - CSR amount

2.4 Conceptual model of social conflict of the project

Based on the literature review and empirical studies aforementioned, the environmental and social framework will be compiled and redeveloped as a moderator of the project interests and the interests of the affected local communities that have the potential to collide and cause social conflicts in the project (Figure 2).

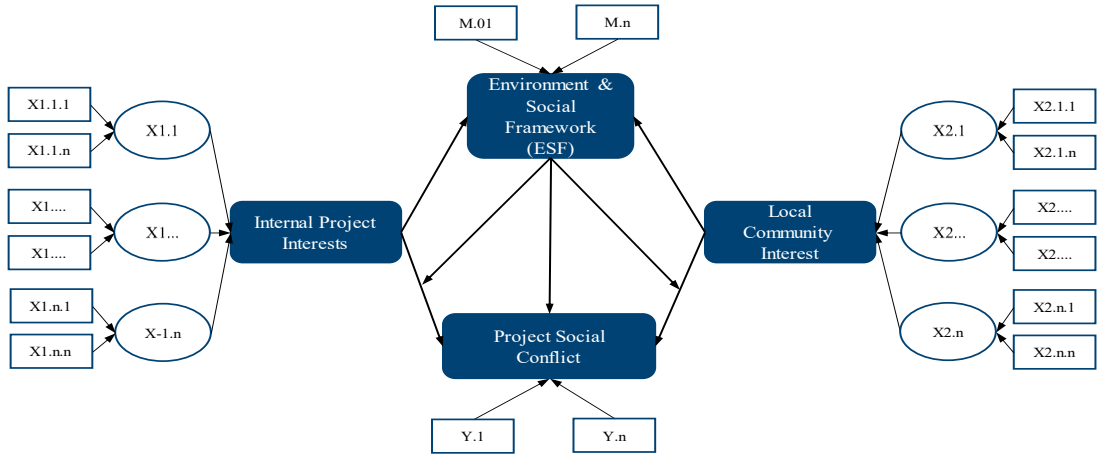

Figure 2. Conceptual project social conflict model

Internal interests are formed from the conditions of performance demands internally that motivate the project to achieve the targets set. These conditions determine the level of internal interest in the implementation of the project [40]. While on the local community side, conditions are created from aspects of society that show the level and quality of society in the social structure. The high social conditions of the local community will determine the position and social perception of the surrounding project activities [41]. The conflict of interest between the project and the local community will have an impact on the project's performance [3]. To minimize the impact of conflict, project actors must have a concept that is acceptable to all parties. Referring to Woosik et al. [42], differences in interests between the parties always exist in the field of slices that can be used as negotiation opportunities. Based on this opinion, a fair framework is needed to reach a common agreement in an effort to achieve sustainable national development that provides benefits for the affected environment and social. The collaboration of the World Bank Framework with Indonesia's domestic legal system has the opportunity to fill these areas of interest and can be proposed as a concept of "middle way interests" or "compromise of interests" in an effort to manage social conflicts of project [1].

3. RESEARCH METHODOLOGY

3.1 Survey design

This study used primary data from questionnaires obtained from respondents to investigate the relationship of factors compiled in the conceptual model. Each respondent filled out a questionnaire divided into 4 parts, namely (1) basic personal data and information, (2) internal interest conditions, (3) environmental and social framework and (4) the impact of social conflict of the project. Meanwhile, the condition of the local community is affected, in terms of economic, social, environmental and cultural aspects obtained through secondary data, namely data and indices published by government ministries/institutions.

Respondents were asked questions about the target conditions and demands imposed on the project in several aspects, namely in terms of project performance, company business performance, the characteristics of the project handled as well as the condition of personal and project team interests. While in the environmental and social framework section, respondents were asked to answer questions related to the policy conditions and procedures related to environmental and social protection that have been imposed by the project/company. And finally, the impact of social conflict is a condition of the impacts received by the project as a result of conflict with local communities. In the other part, the condition of local communities affected is determined from government index and data that show the level of welfare of local communities in economic, social, environmental and cultural aspects. Data were obtained through the official release of Statistics Indonesia (BPS), Ministry of Agriculture, Ministry of Environment and Forestry, Ministry of Public Works and Housing and other ministries/agencies. The whole is measured using a Likert scale of 1 (very low/very bad) to 5 (very high/very good).

3.2 Research samples

This study uses a sample of respondents who have experience as managers on government projects in Indonesia in the 2018-2021 period. A total of 250 questionnaires were sent to respondents via email and a total of 120 questionnaires were sent back and used to test the models that had been compiled. Respondents consisted of 57 people with more than 20 years of experience, 23 people with 5-10 years of experience, 20 people with 16-20 years of experience and 20 people with 11-15 years of experience. Examined from the level of education there are 78.33% of undergraduates and 21.67% of graduates. By age, respondents were dominated by project managers aged ≥ 45 years (55%) followed by ages 41-45 years (18%), ages 36-40 years (16%), ages 31-35 years (8%) and ages ≤ 30 years (3%). In the project type category, respondents were divided into road and bridge project managers (52%), water resource projects (31%), building projects (16%), and airport/port projects (1%). Based on these data, the respondents who participated had met the competency criteria to understand the context and had the ability to answer the questionnaire questions.

3.3 Analysis data

Model analysis in this study will use PLS-SEM based on the conceptual model prepared and the data processed. The determination of this analysis method is in accordance with the opinion of Chin et al. [43] who stated that PLS-SEM is more consistent in measuring models with a minimum sample number of 30-100. To achieve the research objectives, this

analysis method is also more appropriate to be used in predicting predictions on data that are not normally distributed [44]. PLS-SEM analysis will be carried out in 2 stages, namely evaluation of the measurement model (outer model) and evaluation of the structural model (Inner Model). In the evaluation of the outer model data will be tested using validity and reliability parameters through testing of loading factors, cross loading, AVE, composite reliability and Cronbach's alpha. Meanwhile, in the evaluation of the inner model, the influence of R^2, Q^2, f^2, VIF and hypothesis test will be tested with t-statistic and p-value values.

The outcome of the model evaluation will be interpreted as a consideration in drawing research conclusions. The effect of exogenous variables on endogenous variables are determined from the f^2 value, where 0.02 is small, 0.15 is medium, and 0.35 is large. While the R^2 values are determined in the strong (> 0.67), moderate (0.33 up to 0.67) and weak (<0.33) categories. And the Q^2 value will determine the predictive capability of variables with categories of 0.02 (small), 0.15 (medium) and 0.35 (large) [43, 45].

4. RESULT AND DISCUSSION

4.1 Model evaluation and testing

This research was built with the second-order model and used the repeated indicator method to measure firs order on variables of internal interest and public interest (Figure 3). Both variables are determined by the dimensions that measure as second order. The model will be estimated with 2 stages of evaluation as described above.

4.1.1 Evaluation of the outer model

At this stage the model will be tested with factor analysis to determine its validity and reliability. Validity testing uses the loading factor parameter > 0.7 and AVE > 0.5. While the reliability test was determined from the parameters of composite reliability and Cronbach's alpha > 0.7. To determine the validity of the discrimination, it will be tested using cross loading and Fornell-Larker Criterion, where the indicator factor loading on each variable must be greater than the indicator factor loading on other variables. All indicators that do not meet the validity and reliability measurement criteria must be removed from the model [44].

4.1.2 Evaluation of the inner model

This stage is carried out after all models are declared valid and reliable. The evaluation was carried out by looking at the value of effect size (f^2) to determine the magnitude of the effect of exogenous variables on endogenous variables. Meanwhile, to determine the magnitude of the ability of exogenous variables in explaining endogenous variables, the value of the coefficient of determination (R^2) is used. The predictive relevance value (Q^2) will be used in determining how good the observation value produced by the model in measuring data [44]. Testing of VIF data is necessary to ensure that in the estimated model there are no symptoms of multicollinearity. Hair et al. [44] recommended VIF values < 5, so VIF values > 5 should be eliminated in the model to ensure there is no multicollinearity in the estimation. The last is to answer the hypothesis through T-Statistic test (>1.96) and p-value (<0.05). The process of deleting data and indicators is carried out gradually, the final results of model estimation are shown in Table 4 and Table 5.

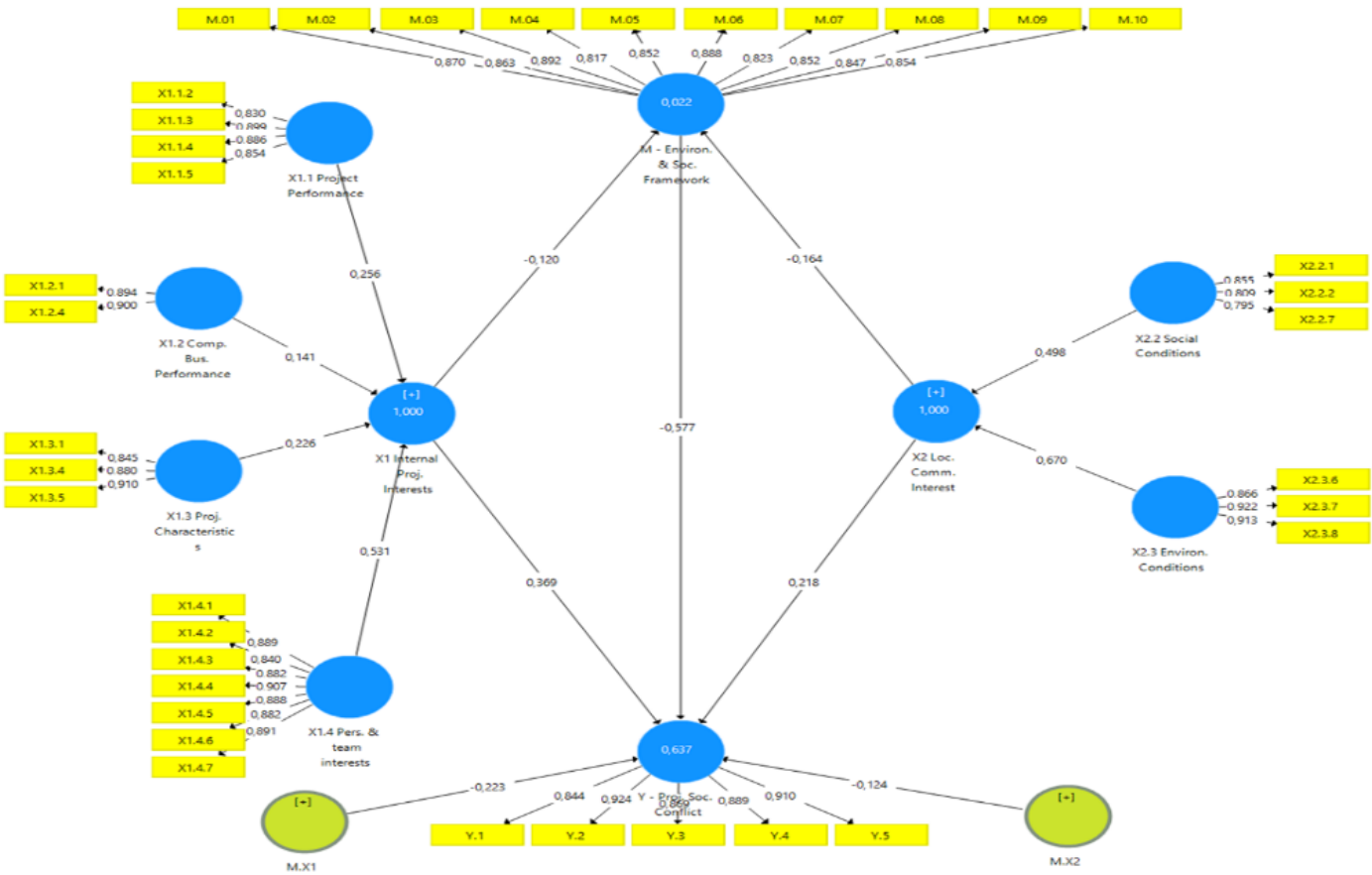

Figure 3. Path coefficient and significance model

Table 4. Measurement and evaluation result

Factor	LF		CA	CR	AVE	VIF		Adj. R2	Q^2	f^2	
	LOC	HOC				LOC	HOC			M	Y
X1 Internal Project Interests			0,951	0,957	0,580				0,571	0,015	0,385
X1.1 Project Performance			0,890	0,924	0,753						
X1.1.1 - Cost				**Deleted**							
X1.1.2 - Quality	0,830	0,663				2,848	2,226				
X1.1.3 - Time	0,899	0,742				3,691	3,039				
X1.1.4 - SHE	0,886	0,718				3,421	2,716				
X1.1.5 - Customer Satisfaction	0,854	0,675				2,930	2,595				
X1.2 Company Business Performance			0,757	0,892	0,805						
X1.2.1 - Company Profitability	0,894	0,727				3,245	1,591				
X1.2.2 - Financial Performance				**Deleted**							
X1.2.3 - Sales Revenue				**Deleted**							
X1.2.4 - Bus. Diversification	0,900	0,745				2,656	1,591				
X1.3 Project Characteristics			0,851	0,910	0,772						
X1.3.1 - Complexity	0,845	0,758				3,370	1,806				
X1.3.2 - Project Scale				**Deleted**							
X1.3.3 - Contract Type				**Deleted**							
X1.3.4 - Scope of Work	0,880	0,767				2,995	2,281				
X1.3.5 - Project Location	0,910	0,781				3,346	2,653				
X1.4 Personal and team interests			0,953	0,961	0,780						
X1.4.1 - Promotion System	0,889	0,792				4,135	3,682				
X1.4.2 - Income/Salary	0,840	0,811				3,135	2,676				
X1.4.3 - Compens. & benefits	0,882	0,798				3,882	3,584				
X1.4.4 - SOP (Job Description)	0,907	0,801				4,839	4,639				
X1.4.5 - Employment status	0,888	0,803				4,358	3,765				
X1.4.6 - Train. & Dev. Competency	0,882	0,768				4,064	3,652				
X1.4.7 - Work Relation./Teamwork	0,891	0,813				4,138	3,721				
X2 Local Community Interest			0,828	0,875	0,542				0,533	0,028	0,130
X2.1 Economic Conditions				**Deleted**							
X2.2 Social Conditions			0,756	0,860	0,672						
X2.2.1 - Human Dev. Index	0,855	0,682				1,783	1,708				
X2.2.2 - Net Enrollment Ratio	0,809	0,634				1,654	1,543				
X2.2.3 - Homeownership											
X2.2.4 - Indonesia Disaster-Prone Area Index (IRBI)					**Deleted**						
X2.2.5 - Food Security Index					**Deleted**						
X2.2.6 - Political Vulnerability Index					**Deleted**						
X2.2.7 - No. of Health Fac.	0,795	0,657				1,533	1,423				
X2.3 Environmental Conditions			0,883	0,928	0,811						
X2.3.1 - Water Quality Index					**Deleted**						
X2.3.2 - Air Quality Index					**Deleted**						
X2.3.3 - Land Cover Quality Index					**Deleted**						
X2.3.4 - Environmental Quality Index					**Deleted**						
X2.3.5 - Wetland Area					**Deleted**						
X2.3.6 - Dry Field/Garden Area	0,866	0,802				2,192	1,999				
X2.3.7 - Shift. Cult. Land Area	0,922	0,814				3,312	3,209				
X2.3.8 - Social Forestry Area	0,913	0,804				3,180	3,044				
X1.4 Personal and team interests				**Deleted**							
M Environment and Social Framework (ESF)			0,959	0,965	0,733			0,022	0,023		0,904
M.01 - ESS-01		0,870					4,461				
M.02 - ESS-02		0,863					4,537				
M.03 - ESS-03		0,892					3,918				
M.04 - ESS-04		0,817					3,917				
M.05 - ESS-05		0,852					3,801				
M.06 - ESS-06		0,888					4,396				
M.07 - ESS-07		0,823					3,503				
M.08 - ESS-08		0,852					4,845				
M.09 - ESS-09		0,847					4,131				
M.10 - ESS-10		0,854					4,200				
Y Project Social Conflict Impact			0,932	0,949	0,788			0,637	0,506		
Y.1 - Task Conflict - cost overruns		0,844					3,093				
Y.2 - Task Conflict - delay of sch.		0,924					4,486				
Y.3 - Rule Confl.- complaints of loc. work.		0,869					3,538				
Y.4 - Affec. Confl. - how conflict is resolved		0,889					3,542				
Y.5 - Value Confl. - CSR amount		0,910					4,503				

Note: LF = loading factor; CA = Cronbach's alpha; CR = composite reliability; AVE = average variance extracted; VIF = variance inflation factor; LOC = Lower Order Construct/1st Order; HOC = Higher Order Construct/2nd Order

Table 5. Path coefficient and hypothesis

Path	Coefficient		T-Statistic	P-Value	Sig.	Hypothesis
	Direct	Total				
X1 Project Interests → Y - Proj. Social Conflict	0,369	0,438	5,791	0,000	Sig.	H1 accepted
X1.1 Project Performance → Y - Proj. Social Conflict	N.A	0,112	5,935	0,000	Sig.	N.A
X1.2 Comp. Bus. Performance → Y - Proj. Social Conflict	N.A	0,062	5,809	0,000	Sig.	N.A
X1.3 Project Characteristics → Y - Proj. Social Conflict	N.A	0,099	5,355	0,000	Sig.	N.A
X1.4 Personal and team interests → Y - Proj. Social Conflict	N.A	0,233	5,536	0,000	Sig.	N.A
X2 Loc. Comm. Interests → Y - Proj. Social Conflict	0,218	0,312	3,724	0,000	Sig.	H2 accepted
X2.2 Social Conditions → Y - Proj. Social Conflict	N.A	0,156	3,553	0,000	Sig.	N.A
X2.3 Environmental Conditions → Y - Proj. Social Conflict	N.A	0,209	3,650	0,000	Sig.	N.A
X1 Project Interests → M - Env. & Social Framework	-0,120	-0,120	**1,196**	**0,232**	**Not Sig.**	**H3 rejected**
X2 Loc. Comm. Interests → M - Env. & Soc. Framework	-0,164	-0,164	**1,644**	**0,101**	**Not Sig.**	**H4 rejected**
M - Env. & Social Framework → Y - Proj. Social Conflict	-0,577	-0,577	11,258	0,000	Sig.	H5 accepted
M.X1 → Y - Proj. Social Conflict (Moderating X1)	-0,223	-0,223	4,548	0,000	Sig.	H6a accepted
M.X2 → Y - Proj. Social Conflict (Moderating X2)	-0,124	-0,124	2,346	0,019	Sig.	H6b accepted

4.2 Discussion

4.2.1 The influence of the project's internal interests on the social conflict consequences of the project

Projects in the construction sector are strongly influenced by many factors, both from the internal aspects of the project itself and from external aspects. Interaction between stakeholders is a triggering factor for conflicts that can escalate and adversely affect overall project performance. Zhang and El-Ghohary [40] mentioned that the internal interests of the project can be triggered by the determined project objectives. Based on the results of the model analysis in Table 5, it shows a significant effect between the internal interests of the project on social conflicts due to the project. The internal interests of the project significantly contributed to the smallest impact of the conflict that occurred in the project. The coefficient path between internal interests and social conflicts of the project contributed 0.438 units in a positive direction. These results are also supported by the influence of the dimensions that compose the internal interest variable (X1), where all indicators show a significant relationship in influencing the impact of social conflict of the project (Y) (Table 5). This proves that conflict and performance have a strong relationship in the project [6]. In the business performance dimension of the company is determined by the parameters of profitability (X1.2.1) and business activity (X1.2.4). These results confirm Sung et al. [46] findings which state that business unit diversification, as a business strategy, positively influences the profitability and stability of the company's business as one of the company's business performance indicators. This study also evidences the findings of Dao et al. [47] which states that the increasingly complex characteristics of the project (X1.3) will affect and demand greater efforts and better strategies from project management in achieving the expected project objectives. The characteristics of the project (X1.3) have a significant effect in determining the magnitude of the impact of social conflicts in the project, which in this study is determined from the Project Complexity (X1.3.1), Scope (X1.3.4) and Project Location (X1.3.5).

In the dimension of personnel and team interests (X1.4) shows that all indicators used have the ability to measure dimensions. The findings show that every individual involved in the project team has a need to improve their lives in the future as well as social recognition of status and social strata as basic human needs.

4.2.2 Influence of local community interests affected by project to the social conflict

Important factors measuring the public/community interest are the condition of the local community around the project based on indices and data that describe the level of quality of life of the local community in social, economic, social, environmental and cultural aspects. From the results of the model estimation above, the influence of community interest aspects in creating social conflicts in the project proved significant. The contribution made by the public/community interest must be understood by the project actors so that the process of community involvement in project activities can be planned and managed appropriately to support the achievement of the project activity program so that potential conflicts of interest can be prevented from escalating into social conflicts [40]. The overall dimension of economic conditions (X2.1) is not able to measure the interests that affect the social conflict of the project in the research model, but the contribution of attributes provided in this analysis is worth discussing and considering in the management of project interests. The dimension of economic conditions (X2.1) provides information that the level of public interest in economic aspects is more dominated in parameters that directly impact society such as poverty level, wage amount and per capita income. This confirms the findings of Li et al. [48] who stated that there is a strong link between poverty and the livelihood aspect of the community.

Another condition that affects community behavior on project activities is the social condition (X2.2) which is generally attached to its economic condition [32]. The contribution of the dimension of social conditions and perceptions (X2.2) in influencing social conflicts in the project accounts for 0.156. This dimension is measured by 3 indicators, namely Human Development Index (HDI), junior high school level Net Enrollment Ratio (NER) and the number of health facilities. This finding confirms that the concept of HDI which is a comparative measurement of life expectancy, education, and standard of living for a region. In the aspect of environmental conditions (X2.3) it is proven to have a significant influence in encouraging the creation of community interests to protect the quality of their environment from the impact of development and projects. As an agrarian society, which depends on natural products, Indonesian local people are very nurturing and respectful towards nature as an ancestral heritage that must be preserved. The Statistics Indonesia (BPS) reports that the labor statistics in the informal agricultural sector, on the national average in 2021 amounted to 88.43%. This explains the strong relationship between

social conflicts in the project generally caused by changes in land use and changes in soil quality [49]. Meanwhile, culture can also be a factor that influences each other, as written by Nettle et al. [50] where cultural aspects such as language diversity, ethnicity and religion can be the cause of social instability in society. Even Duminskaya et al. [51] mentioned that ethnicity and religion as factors that determine the quality of relationships between individuals. However, the results of this study found a different opinion, where in the estimation of the research model showed an insignificant effect of the dimension of interest in cultural conditions (X2.4) on the social conflict of the project (Y). This also proves that religious and ethnical sentiments do not determine the magnitude of potential social conflicts that occur in the implementation of projects in Indonesia.

4.2.3 Influence of project internal interest and public interest/local communities affected by the project on the environmental and social frameworks

From the model estimation results, this study reveals that the influence of internal project interest variables (X1) and public/community interest (X2) on the environmental and social framework is not proven to have a significant effect. Both variables were unable to influence the level of environmental and social framework quality applied in the project as shown in Table 5. In addition, all variables and their dimensions also have a negative direction of influence on the environmental and social framework. This can be understood that, the higher the importance of each party (internal to the project and community) has the potential to decrease the quality of the existing environmental and social framework. This finding indicates that the environmental and social framework should be determined as a standardized concept. In the absence of a standardized and integrated environmental and social framework, there is potentially a conflict of interest in the preparation of the framework to be implemented. The involvement of stakeholders in the preparation of environmental and social frameworks will have the potential to create bargaining positions to achieve desired goals based on choices or decisions made by other parties [5].

4.2.4 Influence of environmental and social framework on the impact of project social conflict

The environmental and social framework of the project (M) can be proven to have a significant effect on the impact of social conflicts that occur in projects with a negative direction (Table 5). The effectiveness of the influence given by the environmental and social framework variable (M) in minimizing the impact of social conflict projects (Y) shows the quality of legislation in Indonesia which is quite good in anticipating the risks and impacts of environmental and social damage due to development. However, Indonesian legislation which governs sectoral environmental and social protection makes it difficult for construction service providers to apply it in the framework as a whole. As a moderator, the environmental and social framework actively has a role in the relationship between the internal interests of the project (X1) and the public/community interest (X2) to the social conflict of the project (Y). The results in Table 5 reveal that the environmental and social framework (M) is proven to have a significant influence in determining the magnitude of the influence of interests on projects that may impact social conflicts. These findings strengthen its position as a new governance concept in world development [2]. In addition, the environmental and social framework (M) is an independent framework as a concept of commitment as well as containing definite legal aspects, so that this variable is able to affect the project system and is free from interest interventions. This condition also proves that the World Bank's environmental and social framework as a major reform by adopting international laws has a significant ability to affect the impact of social conflicts that occur [36, 37, 52]. Good collaboration between Indonesian local legal instruments and environmental and social frameworks proves their legitimacy in Indonesia based on legal conditions in Indonesia which are generally able to meet the framework clauses offered. And as a challenge in responding to the changing of geo-political conditions, the environmental and social framework can be used as a reference in developing a standardized and integrated environmental and social protection framework as a concept of sustainable development [53]. The explanation above confirms the importance of the environmental and social framework in Indonesia which is used as a standard and integrated reference, which is able to summarize all the various sectoral legal provisions in one regulation or standard framework in project implementation in Indonesia.

5. CONCLUSIONS

This study is a response to the reform of the environmental and social framework introduced by the World Bank as a new governance of world development in achieving a balance between the economy and the environment and social. Likewise, as an evaluation of the effectiveness of the framework's performance within Indonesia's domestic scope, it uses the collaboration of the two policies, namely the World Bank's environmental and social protection policies and Indonesian laws and regulations. The conformity between the two policies is an absolute condition for the implementation of the ideals of sustainable development that the World Bank conceived as the new governance of world development based on environmental and social protection. The changing world geopolitical outlook caused by the decline in environmental quality as a result of human activity prompted world leaders to be able to formulate a common policy in saving the world of the future. Environmental damage also impacts the potential social friction due to economic disparities in communities with high vulnerability. These problems need "good will" from all stakeholders and policy makers to use legal and political power in realizing fair development.

The project's internal interests and public/community interests have a significant influence in increasing the potential impact of the project's social conflicts. However, the results showed a stronger dominance of the project's internal interests (X1) than the influence of public/community interests (X2) on the impact of the project's social conflicts (Y). So that more conflicts are influenced by the low internal interests than from the interests of the community. The trend generated in this study is a decrease in the quality of the environmental and social framework (M) if the interests work in determining this framework, as evidenced by the value of the contribution of all variables and dimensions to the negative environmental and social framework. However, the results of the estimation show an insignificant effect on corroborating the status of the environmental and social framework measured and determined based on the provisions of the prevailing legislation, standing independently. As a concept of "middle

way" or "compromise of interests", the environmental and social framework (M) exerts a significant influence in minimizing the impact of project social conflicts (Y). The position as a moderator has also been shown to have a significant effect in reducing the influence of project internal interests (X1) and public/community interests (X2) on the impact of project social conflicts (Y). These results show that the ability of the environmental and social framework (M) as a legal concept and environmental and social impact protection policy is quite strong in minimizing the influence of interests in projects that have the potential to trigger disputes and conflicts. This finding at the same time corroborates the statement in this study about the need for conceptual changes from the framework of environmental and social impact protection and management in Indonesia. In addition, the environmental and social framework must have a firm and binding legal position and status, being a legal unity that binds the construction activity by attaching it as a contractual obligation that is encompassed by definite legal force. This research is limited to the Indonesia region and was viewed from the perspective of project managers on infrastructure projects in 2018-2021. Therefore, to get a broader overview of conflict management, it is recommended that further research be carried out with a wider range of subjects.

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