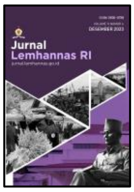

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Mediating Role of Financial Transparency in Strengthening Economic Resilience

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Abstract

Purpose: This study investigates the relationship between Corporate Social Responsibility (CSR) and economic resilience in coastal communities in Indonesia, highlighting the mediating role of financial transparency. It aims to clarify how CSR's economic, social, and environmental dimensions contribute to resilience in areas marked by ecological fragility and socio-economic vulnerability.

Design/Methodology/Approach: A quantitative research design was applied using a causal model. Data were collected through structured questionnaires distributed to 100 respondents in Segarajaya Village, Bekasi Regency. Multiple linear regression was employed to assess the direct and mediating effects of CSR and financial transparency on community resilience.

Findings: The findings indicate that social CSR significantly enhances both economic resilience and financial transparency. Environmental CSR improves transparency but does not directly influence resilience, while economic CSR shows no significant effect. Financial transparency independently supports resilience but does not mediate the CSR–resilience relationship.

Originality/Value: This study advances CSR literature by integrating financial accountability into CSR effectiveness analysis. It provides practical insights for designing community-responsive CSR strategies that align with national development objectives, regulatory frameworks, and the broader agenda of non-military national resilience. The findings underscore the strategic value of financial governance in fostering inclusive development within coastal areas.

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INTRODUCTION

Indonesia, as the world's second largest archipelagic state, possesses vast coastal areas and abundant marine resources that hold significant economic value. The maritime sector forms a core component of the national economy, particularly through contributions to fisheries, tourism, and maritime transportation. Nevertheless, the sustainability of these sectors faces increasing threats from ecosystem degradation, marine pollution, overexploitation of resources, and the growing impacts of climate change (Badan Pusat Statistik, 2024). Recent economic data further reveal declining household consumption, signalling broader economic pressures and a reduction in the demand for non-essential goods (Indraini, 2023).

These environmental and economic challenges are compounded by the socio-economic vulnerability of coastal communities. Many residents rely heavily on fisheries and informal marine-based livelihoods, yet remain constrained by limited access to education, infrastructure, healthcare, and digital technology. The high dependence exposes coastal communities to environmental shocks and economic instability. According to the National Socio-Economic Survey (Badan Pusat Statistik, 2024), the poverty line per household rose from IDR 2,592,657 in March 2023 to IDR 2,786,415 in March 2024, marking an increase of 7.47 per cent within a year (see Table 1). This increase reflects not only the effects of inflation and rising living costs but also the structural deficiencies that hinder adaptive capacity and economic resilience.

Table 1. Poverty Line for Poor Households, March 2023 and March 2024

Years	Poverty Line (Rp/Capita/Month)	AVG Members of Poor Households	Poverty Line for Poor Households (IDR/Household/ Month)
March 2023	550.458	4.71	2.592.657
March 2024	582.932	4.78	2.786.415
Change from March 2023 to March 2024	5.90	1.49	7.47

Source: Processed from National Socio-Economic Survey (Susenas) data, March 2023 and March 2024

Illustrating this condition, Segarajaya Village in Bekasi Regency remains burdened by ecological degradation, limited infrastructure, and low financial literacy, despite being strategically located within the Nusantara Marine Tourism corridor (Haro, Andrian, Waspodo, Agung A.W.S, Aviyati Lestari, Friska, 2020). In response to these persistent pressures, previous studies have emphasised the importance of development models rooted in local values, particularly those incorporating Islamic principles and community-based education. These approaches have been shown to enhance sustainability and reinforce resilience in coastal regions (Doktoralina et al., 2024), highlighting the relevance of value-driven and context-sensitive interventions for long-term empowerment and inclusive development.

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Corporate Social Responsibility (CSR) has been promoted as a strategic mechanism to manage these intersecting challenges. Stakeholder theory (R Edward Freeman et al., 2010), emphasises that corporations must balance economic, social, and environmental goals while meeting the expectations of their diverse stakeholders. However, empirical evidence suggests that CSR initiatives in Indonesia often suffer from fragmented implementation, poor alignment with local needs, and limited structural accountability (Apriliyani & Novita, 2019). Furthermore, financial transparency remains underexamined as a mechanism for enhancing CSR effectiveness, particularly in regions with low levels of financial literacy(Jensen & Meckling, 2003; Rosharlianti & Pratiwi, 2022).

This study aims to overcome these limitations by analysing how the economic, social, and environmental dimensions of Corporate Social Responsibility (CSR) influence the economic resilience of coastal communities, with financial transparency functioning as a mediating variable. Specifically, the research evaluates the direct effects of each CSR dimension on resilience, explores the mediating function of transparency, and proposes a sustainable CSR framework tailored to the distinct needs of coastal populations. The study applies multiple theoretical lenses, including Stakeholder Theory, Agency Theory, and the Triple Bottom Line, to construct an integrated analytical model.

By focusing on coastal communities in Indonesia, which are characterised by ecological fragility and socio-economic marginalisation, this research fills a critical empirical gap by embedding financial governance into the evaluation of Corporate Social Responsibility (CSR). It offers both theoretical advancement and actionable insights by proposing an inclusive CSR model aligned with local development priorities, regulatory frameworks, and community resilience goals. Ultimately, the study contributes to national development discourse and supports non-military approaches to national defence through the empowerment of socio-economically vulnerable coastal regions. This alignment also strengthens consistency with national strategic documents, including the RPJMN and legal mandates under Law No. 40 of 2007 concerning Limited Liability Companies. Accordingly, the central research question guiding this investigation is: To what extent do the economic, social, and environmental dimensions of CSR, with financial transparency as a mediating mechanism, contribute to enhancing economic resilience in coastal communities of Indonesia?.

LITERATURE REVIEW

Theoretical Studies

This study establishes its theoretical foundation by integrating several well-recognised frameworks to assess the role and effectiveness of Corporate Social Responsibility (CSR) in enhancing economic resilience. Stakeholder Theory emphasises that corporations must balance economic, social, and environmental objectives in line with the expectations of varied stakeholder groups (R Edward Freeman et al., 2010). This perspective provides a conceptual basis for evaluating the extent to which CSR initiatives align with the needs of coastal communities that depend heavily on natural resources.

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Agency Theory emphasises the importance of transparency in reducing information asymmetry between principals and agents, thereby fostering trust and ensuring accountability in the allocation of CSR resources (Jensen & Meckling, 2003). Social Capital Theory provides further understanding by showing that CSR programmes support collaboration, trust, and community cohesion, which are essential for developing resilient social structures (Putnam, 2015). Carroll's CSR Pyramid positions economic responsibility as the core of CSR, mandating that corporations contribute to local economic development through investment and capacity-building efforts. The Triple Bottom Line framework affirms the need to integrate economic, social, and environmental considerations in order to formulate strategies that prioritise sustainability (Elkington, 1998). Together, these theoretical models provide a comprehensive lens through which this study investigates the influence of CSR dimensions on economic resilience, with financial transparency examined as a potential mediating mechanism.

Corporate Social Responsibility (CSR) in Indonesia

In Indonesia, Corporate Social Responsibility (CSR) has evolved from philanthropic contributions into a strategic mechanism for advancing socio-economic development and environmental sustainability, particularly in coastal communities.

CSR, grounded in Stakeholder Theory (R Edward Freeman et al., 2010), fosters collaboration between corporations and local actors, including marginalised populations and regional authorities. This form of engagement enhances community resilience and supports broader objectives of national non-military defence. However, the implementation of CSR remains constrained by structural limitations, as many initiatives fail to correspond with community priorities, lack contextual adaptability, and fall short of international CSR standards (Apriliyani & Novita, 2019).

To overcome these constraints, corporations should adopt transformative CSR models that are systematically embedded within corporate strategy and aligned with local knowledge systems and national development agendas. Empirical evidence suggests that CSR programmes which integrate ecological and infrastructural characteristics of coastal regions tend to produce more sustainable outcomes (Bukh, P.N, C. Nielsen, P. Gormsen, 2005). By applying the Shared Value Framework (Porter & Kramer, 2006), CSR initiatives may simultaneously generate economic benefits and social value, thereby enhancing both community empowerment and long-term organisational viability.

Economic CSR and Community Welfare

Economic CSR holds strategic relevance in improving the adaptive capacity and economic independence of coastal communities, particularly those experiencing ecological degradation and social marginalisation. Carroll's CSR framework (1991) places economic responsibility as a core obligation for corporations to contribute to development through employment opportunities, infrastructure support, and skills enhancement. Stakeholder Theory (R Edward Freeman et al., 2010) affirms that CSR

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efforts must respond directly to the pressing economic needs of communities, including income generation, poverty reduction, and financial empowerment. In Indonesia's coastal regions, where livelihoods are heavily reliant on marine resources and informal trade systems, Economic CSR can initiate meaningful economic transformation when designed to support productive activities, promote entrepreneurship, and improve local capacities. However, previous studies report that many initiatives fail to deliver sustainable outcomes due to top-down implementation, minimal community involvement, and poor contextual alignment (Arofah, 2022; Dartey-Baah & Amoako, 2021; Khatter, 2025)

To increase the long-term impact of Economic CSR, corporations need to incorporate participatory planning and continuous mentoring within programme design. Financial literacy, access to credit, skill development, and local cooperative strengthening should form the foundation of CSR implementation. Rather than perceiving CSR as a compliance tool, companies are encouraged to adopt the Shared Value Framework (Porter & Kramer, 2006), which integrates economic and social goals in a single strategy. This integration contributes not only to inclusive economic development but also to strengthening national resilience in economically vulnerable coastal zones. The findings support the proposition that Economic CSR enhances economic resilience when supported by strong community participation and sustained institutional capacity-building. This integration contributes not only to inclusive economic development but also to strengthening national resilience in economically vulnerable coastal zones, leading to the proposition that:

H_1: Economic CSR enhances economic resilience when accompanied by meaningful community participation and sustained capacity development.

Social CSR and Capacity Building

The social dimension of Corporate Social Responsibility (CSR) strengthens community cohesion and empowers marginalised groups, which in turn reinforces the resilience of coastal populations exposed to ecological and economic vulnerabilities. These programmes respond to exclusion and social disintegration that may otherwise disrupt local stability and weaken the broader fabric of national unity. Social Capital Theory (Putnam, 2015), explains that trust, cooperation, and collective norms form the foundation of durable social networks. When companies engage with stakeholders and invest in structured community development, CSR contributes to building inclusive and adaptive local institutions that are capable of navigating uncertainty. Empirical studies confirm that women's empowerment, vocational education, and democratic participation promote economic engagement, increase autonomy, and reduce structural inequalities (Indah Lestari & Hasanuddin, 2022). These patterns affirm the proposition of Stakeholder Theory (R Edward Freeman et al., 2010), which emphasises the importance of recognising and fulfilling the rights of socially and economically marginalised groups.

Social CSR, therefore, offers a strategy for integrating vulnerable communities into formal socio-economic systems and enhancing their representation within public processes. This integration promotes national cohesion by reinforcing the foundations of

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civic engagement and social solidarity. In coastal communities marked by isolation and resource constraints, CSR initiatives that include training programmes, inclusive planning, and transparent dialogue have improved both livelihoods and collective resilience. The Shared Value Framework (Porter & Kramer, 2006) provides support for this integrative model by combining corporate benefit with local empowerment. When grounded in cultural relevance and long-term commitment, social CSR supports equitable development and contributes to the integrity of national resilience frameworks, leading to the proposition that:

H_2: Social CSR significantly improves economic resilience by fostering social inclusion and empowering disadvantaged communities.

Environmental CSR and Sustainability

Environmental CSR strengthens the sustainability and resilience of coastal communities that rely on fragile ecosystems by integrating environmental stewardship with economic and social objectives, as guided by the Triple Bottom Line Framework (Elkington, 1998). Programmes involving mangrove rehabilitation, coastal reforestation, waste processing, and sustainable aquaculture contribute not only to ecological balance but also to local productivity and economic continuity (Dewi & Rosilawati, 2020). These efforts support long-term access to natural resources and strengthen the foundation of national resilience. According to Stakeholder Theory (Freeman, 2010), effective environmental CSR must align with the needs of local communities and socio-economic realities; otherwise, it risks becoming detached and ineffective (Putri et al., 2023). This study emphasises that involving communities in planning and execution improves the relevance and sustainability of CSR strategies. Key enabling elements include environmental education, consistent capacity building, and transparent accountability systems. The Shared Value Framework (Porter & Kramer, 2006) reinforces this approach by linking ecological conservation to socio-economic development. When environmental CSR aligns with local livelihoods and regional policy, it safeguards ecosystems while fostering economic resilience, thereby contributing to Indonesia’s non-military defence strategy through the stabilisation of coastal regions.

H_3: Environmental CSR enhances economic resilience, provided it is implemented through participatory approaches and aligned with local development priorities.

Financial Transparency and Accountability in CSR

Financial transparency and effective management constitute essential components of successful Corporate Social Responsibility (CSR) implementation. Within the framework of Agency Theory, transparency serves to reduce information asymmetry between corporations and stakeholders, thereby strengthening trust and ensuring accountability (Jensen & Meckling, 2003). Well-designed accounting systems support the precise monitoring of CSR fund usage and facilitate systematic evaluation of programme outcomes (Scapens & Jazayeri, 2003). In particular, CSR audits, as emphasised by Wood

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(2020), strengthen public confidence by providing verifiable and independent evaluations of programme effectiveness. In coastal communities where financial literacy remains limited, transparent financial governance becomes particularly important in ensuring that CSR initiatives achieve their intended socio-economic impact (Rosharlianti & Pratiwi, 2022).

Nevertheless, empirical findings indicate that financial transparency alone does not mediate the relationship between CSR dimensions and economic resilience unless it is embedded within broader educational and mentoring frameworks. Without consistent capacity-building, even the most transparent systems fail to generate sustainable outcomes. Therefore, collaborative programmes that strengthen financial literacy and embed accountability within community structures are crucial. These mechanisms ensure that CSR initiatives are not only transparent but also empowering. Based on this rationale, the study formulates the fourth hypothesis:

H_4: Financial transparency enhances the impact of CSR on economic resilience only when it is combined with continuous community capacity-building and financial literacy initiatives.

Integration and Long-Term Sustainability

Many Corporate Social Responsibility (CSR) programmes in Indonesia are not sufficiently integrated into comprehensive corporate strategies, often resulting in limited impact and unsustainable outcomes. This disconnection undermines the capacity of CSR to function as a strategic mechanism for delivering long-term social and economic benefits. The shared value concept, introduced by Porter and Kramer (2006), emphasises the strategic importance of embedding CSR within a company's core functions to achieve mutual gains for corporations and communities. When CSR is aligned with both business objectives and community development goals, its effectiveness and sustainability are significantly enhanced. In this regard, transparent reporting, regular evaluation, and clearly defined performance indicators are essential for promoting accountability and fostering enduring impact.

In coastal areas characterised by entrenched socio-economic vulnerabilities, embedding CSR into business governance ensures that interventions are responsive to local needs and draw upon existing community capacities. This alignment allows CSR to evolve from sporadic philanthropy into a systematic approach that promotes inclusive growth and resilience. Strategic CSR planning, supported by evidence-based practices and continuous community engagement, strengthens the socio-economic fabric of marginalised regions.

H_5: CSR strategies that are embedded within corporate operations are more effective in enhancing economic resilience and community empowerment than approaches based on isolated or short-term philanthropic initiatives.

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This study formulates a comprehensive theoretical framework that integrates the direct influence of economic, social, and environmental CSR on economic resilience, alongside the mediating role of financial transparency. The framework illustrates how each CSR dimension fosters inclusive growth, institutional trust, and sustainability within coastal communities, and supports the empirical validation of CSR strategies aligned with Indonesia's development and resilience goals, as shown in Figure 1.

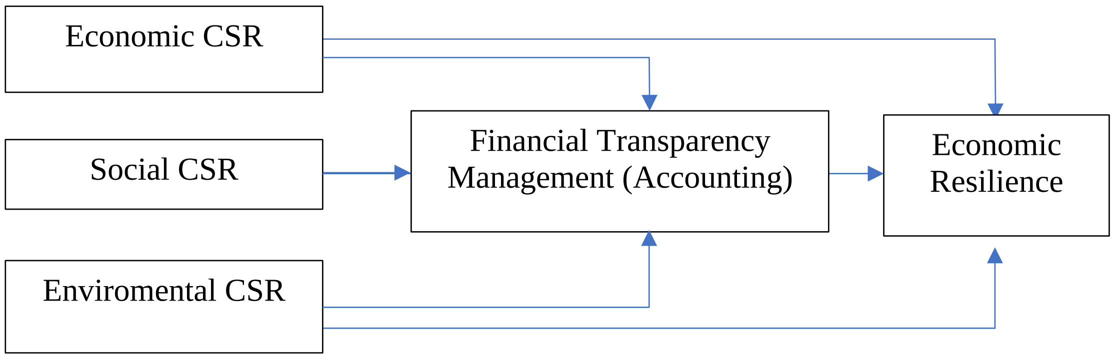

Figure 1. Theoretical Studies

METHODS

This study adopts a quantitative causal research design to examine the influence of Economic, Environmental, and Social CSR on Economic Resilience, mediated by Financial Transparency Management, using Segarajaya Village in Bekasi Regency as a case study due to its socio-economic vulnerabilities. Despite its inclusion in the Nusantara Marine Tourism zone, the village faces poverty, limited financial literacy, environmental degradation, and weak infrastructure, making it a relevant setting for exploring CSR's impact on resilience. A sample of 100 respondents was selected based on Hair et al, (2019) for structural equation modelling using Partial Least Squares (PLS). The research operationalised variables through indicators of income generation, environmental rehabilitation, and social empowerment, while economic resilience and financial transparency were measured by financial independence, productivity, and fund governance. Analysis using SmartPLS involved validity, reliability, and path testing, allowing for the formulation of a CSR model rooted in accounting and financial governance that contributes theoretically and practically to inclusive CSR strategies for marginalised coastal communities.

RESULT AND DISCUSSION

Result

The analysis evaluates the influence of Economic, Environmental, and Social CSR on the economic resilience of coastal communities, incorporating Financial Transparency Management as a mediating variable. Using the Partial Least Squares (PLS) method, the

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model explores inter-construct relationships based on CSR theory and accounting perspectives.

Validity Test

The combined validity and reliability analysis affirms that the measurement model fulfils all necessary standards for convergent and discriminant validity. According to Hair Jr et al. (2016), outer loading values in Table 2 exceed the recommended threshold of 0.60, while the Average Variance Extracted (AVE) values for all constructs—Economic CSR (0.663), Environmental CSR (0.683), Social CSR (0.672), Economic Resilience (0.568), and Financial Transparency Management (0.800)—surpass the minimum requirement of 0.50. Table 5 further supports this by showing that Cronbach's Alpha and Composite Reliability values for each construct exceed 0.70, indicating high internal consistency and construct reliability. Discriminant validity is confirmed through the Fornell-Larcker criterion in Table 3, where the square root of each AVE is greater than its correlation with other constructs, and reinforced by Table 4, which shows that each observed variable loads more strongly on its respective construct than on others. Together, these findings verify that the constructs are both statistically distinct and reliable, thereby validating the measurement model for further structural path analysis

Table 2. Outer Model Loadings and AVE Values

	ECCSR	EVCSR	SOCSR	ER	FTM
ECCSR1	0.772	-	-	-	-
ECCSR2	0.841	-	-	-	-
ECCSR3	0.829	-	-	-	-
EVCSR1	-	0.722	-	-	-
EVCSR2	-	0.891	-	-	-
EVCSR3	-	0.856	-	-	-
SOCSR1	-	-	0.904	-	-
SOCSR2	-	-	0.778	-	-
SOCSR3	-	-	0.771	-	-
ER1	-	-	-	0.719	-
ER2	-	-	-	0.678	-
ER3	-	-	-	0.818	-
ER4	-	-	-	0.927	-
FTM1	-	-	-	-	0.881
FTM2	-	-	-	-	0.874
FTM3	-	-	-	-	0.927
AVE	0.663	0.683	0.672	0.568	0.800

Source: Data processed by the author (2024).

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Table 3. Fornell-Larcker Criterion

	ECCSR	EVCSR	SOCSR	ER	FTM
ECCSR	0.814				
EVCSR	0.497	0.826			
SOCSR	0.681	0.582	0.820		
ER	0.533	0.593	0.756	0.754	
FTM	0.326	0.444	0.472	0.688	0.894

Source: Data processed by the author (2024).

Table 4. Cross Loading

	ECCSR	EVCSR	SOCSR	ER	FTM
ECCSR1	0.772	0.422	0.596	0.491	0.209
ECCSR2	0.841	0.392	0.533	0.428	0.297
ECCSR3	0.829	0.398	0.531	0.376	0.293
EVCSR1	0.327	0.722	0.432	0.431	0.252
EVCSR2	0.493	0.891	0.501	0.507	0.383
EVCSR3	0.402	0.856	0.507	0.525	0.440
SOCSR1	0.585	0.478	0.904	0.687	0.451
SOCSR2	0.521	0.479	0.778	0.499	0.319
SOCSR3	0.566	0.482	0.771	0.651	0.374
ER1	0.515	0.491	0.795	0.719	0.383
ER2	0.534	0.488	0.702	0.678	0.355
ER3	0.281	0.415	0.377	0.818	0.667
ER4	0.223	0.363	0.322	0.792	0.703
FTM1	0.331	0.411	0.395	0.536	0.881
FTM2	0.230	0.350	0.350	0.699	0.874
FTM3	0.319	0.431	0.516	0.602	0.927

Source: Data processed by the author (2024).

Reliability Test

The reliability test confirms that all constructs in the study exhibit acceptable internal consistency, as evidenced by Cronbach’s Alpha (CA) and Composite Reliability (CR) values exceeding the minimum threshold of 0.70 recommended by Hair Jr et al. (2016). Table 5 shows that Cronbach’s Alpha values for all variables are above 0.745, while CR values range from 0.839 to 0.923, indicating strong reliability across constructs. These results validate that each item consistently measures its intended construct, thereby justifying their inclusion in the structural model analysis.

Table 5. Construct Reliability (CR) and Validity

	C.A.	rho_A	CR	AVE
ECCSR	0.745	0.745	0.855	0.663
EVCSR	0.766	0.789	0.865	0.683
SOCSR	0.755	0.774	0.860	0.672
ER	0.745	0.741	0.839	0.568
FTM	0.875	0.879	0.923	0.800

Source: Data processed by the author (2024).

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R Square

The R Square analysis indicates that the model explains 72.4 per cent of the variance in Economic Resilience, demonstrating strong explanatory power. In comparison, it accounts for only 26.6 per cent of the variance in Financial Transparency Management, which reflects moderate explanatory strength according to Hair Jr et al. (2016), suggesting that additional factors beyond CSR dimensions may influence transparency outcomes in coastal communities.

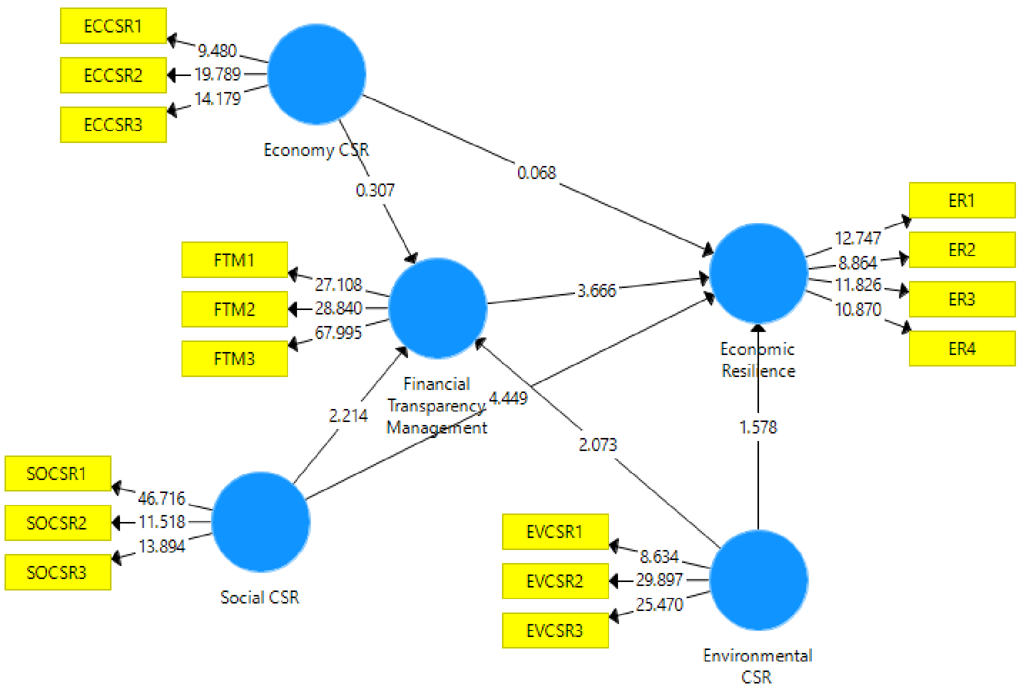
Table 6. R Square and Adjusted R Square Values

	R Square	R Square Adjusted
Economic Resilience (ER)	0.724	0.712
Financial Transparency Management (FTM)	0.266	0.244

Source: Data processed by the author (2024).

Path Coefficient

The path coefficient analysis examines the direction and magnitude of relationships between variables, with significance assessed using P-values, where values below 0.05 indicate statistically significant effects (Creswell & Creswell, 2018). The subsequent section presents these results in a detailed table, outlining both direct and indirect effects, thereby identifying which CSR dimensions most strongly influence financial transparency and economic resilience, either independently or through mediation, as shown in Figure 2.



Source: Data processed by the author (2024).

Figure 2. Theorecical Model

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Path Coefficient Analysis

The path coefficient analysis, as presented in Tables 7 and 8, shows that Social CSR exerts a significant direct influence on both Economic Resilience ($\beta = 0.490$; $p = 0.000$) and Financial Transparency Management ($\beta = 0.347$; $p = 0.027$), while Environmental CSR only affects Financial Transparency Management significantly ($\beta = 0.262$; $p = 0.038$). In contrast, Economic CSR lacks significance across all pathways. Financial Transparency Management itself strongly enhances Economic Resilience ($\beta = 0.399$; $p = 0.000$); however, the mediating role of Financial Transparency Management is not supported, as indicated by non-significant indirect effects of all CSR dimensions ($P > 0.05$). The findings suggest that while financial transparency contributes directly to resilience, it lacks sufficient mediating influence between CSR initiatives and economic resilience. This reinforces the necessity for CSR programmes to incorporate local engagement, structured training, and long-term support mechanisms to generate sustainable outcomes.

Table 7. Path Coefficients (Direct Effect)

Variable	O.S.	Mean	STDEV	O/STDEV	P Values	Support
ECCSR → ER	0.006	0.009	0.089	0.068	**0.946**	No
ECCSR → FTM	-0.040	-0.031	0.131	0.307	**0.759**	No
EVCSR → ER	0.128	0.121	0.081	1.578	**0.115**	No
EVCSR → FTM	0.262	0.263	0.126	2.073	**0.038**	Yes
SOCSR → ER	0.490	0.485	0.110	4.449	**0.000**	Yes
SOCSR → FTM	0.347	0.344	0.157	2.214	**0.027**	Yes
FTM → ER	0.399	0.408	0.109	3.666	**0.000**	Yes

Source: Data processed by the author (2024).

Table 8. Path Coefficients (Indirect Effect)

Variable	O.S.	Mean	STDEV	O/STDEV	P Values	Support
ECCSR → FTM → ER	-0.016	-0.015	0.055	0.295	**0.768**	No
EVCSR → FTM → ER	0.104	0.112	0.069	1.521	**0.129**	No
SOCSR → FTM → ER	0.138	0.137	0.072	1.907	**0.057**	No

Source: Data processed by the author (2024).

Discussion

The Influence of Economic CSR on the Economic Resilience of Coastal Communities

The findings demonstrate that Economic CSR has not significantly enhanced the economic resilience of coastal communities, primarily due to the misalignment between corporate initiatives and the actual socio-economic conditions of stakeholders. Stakeholder Theory (R.E. Freeman, 2010) and Carroll's CSR framework (1991), both emphasise the necessity for companies to prioritise economic responsibilities and tailor their programmes to local realities. The study reveals that most Economic CSR initiatives in coastal areas do not yield substantive benefits due to limited community engagement and the absence of strategies tailored to overcome structural issues, including reliance on

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informal financial systems. Evidence from Sampang Regency further supports this conclusion, where CSR programmes produced no lasting impact due to weak contextual adaptation and low public participation (Azizah, 2024). To increase the effectiveness of Economic CSR, companies must integrate participatory methods, financial literacy training, and continuous mentoring into their initiatives. This shift from top-down aid to capacity-building models would ensure that resource distribution aligns with community needs and ultimately contributes to the long-term economic resilience of vulnerable coastal populations.

The Influence of Economic CSR on Financial Transparency Management from an Accounting Perspective

The results reveal that Economic CSR does not significantly influence Financial Transparency Management due to the insufficient integration of financial education and accountability mechanisms within CSR frameworks. Stakeholder Theory R E Freeman (2010) and Carroll (1991) both emphasise the need to meet stakeholder expectations and uphold economic responsibilities. However, without structured financial literacy programmes, communities face limitations in managing, documenting, and reporting CSR fund utilisation effectively. Empirical studies by Azizah (2024) and Mahendra and Wirawati (2018) support this conclusion, demonstrating that CSR-provided financial support tends to be ineffective without accompanying capacity-building efforts. In communities where training in financial planning and reporting is absent, resource usage becomes inefficient and unsustainable. To overcome these challenges, Economic CSR programmes must embed financial education modules that promote transparency, enhance reporting skills, and reinforce fiscal accountability. By aligning with core accounting principles, this approach strengthens institutional capacity and promotes sustainable financial governance in economically vulnerable coastal communities.

The Influence of Social CSR on the Economic Resilience of Coastal Communities

The findings confirm that Social CSR significantly strengthens the economic resilience of coastal communities by reducing social exclusion and empowering marginalised groups through programmes involving women's leadership, skills development, and participatory governance. These outcomes are consistent with Social Capital Theory, which underscores the importance of trust, cohesion, and collective action in cultivating resilience, establishing Social CSR as a mechanism to build adaptive and self-sufficient communities. Furthermore, corporations that consistently implement socially inclusive CSR strategies benefit from long-term strategic advantages, as noted by Machfudt and BZ (2023), who argue that sustained stakeholder engagement leads to the accumulation of reputational capital and enduring trust, supporting Putnam (2015) theoretical assertions. The evidence affirms the role of Social CSR in promoting inclusive development and reinforcing corporate legitimacy, as long as the initiatives are

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contextually relevant, participatory, and supported by sustained mechanisms that foster community ownership and continuity.

The Influence of Social CSR on Financial Transparency Management from an Accounting Perspective.

Social CSR strengthens financial transparency management by equipping communities with financial literacy and essential managerial competencies, thereby enhancing their capacity to oversee fund utilisation transparently and responsibly. Programmes involving women's economic roles, vocational development, and capacity-building align with stakeholder expectations as defined in Stakeholder Theory (R.E. Freeman, 2010), while also strengthening local accountability systems. Agency Theory (Jensen and Meckling, 2003), further explains that minimising information asymmetry between stakeholders and implementers builds trust and supports sound financial governance. This theoretical perspective aligns with empirical findings by Rosharlianti and Pratiwi (2022), who observed that communities exposed to structured financial training demonstrated improved resource management and greater fiscal discipline. The evidence affirms that Social CSR contributes simultaneously to economic empowerment and institutional accountability. When consistently implemented and aligned with community needs, Social CSR functions as a strategic instrument that fosters sustainable social development and strengthens financial governance structures.

The Influence of Environmental CSR on the Economic Resilience of Coastal Communities

The findings reveal that Environmental CSR does not significantly influence the economic resilience of coastal communities. Although the Triple Bottom Line framework proposed by Elkington (1998) underscores the necessity of integrating environmental responsibility with economic and social development, its practical implementation has yet to yield measurable economic outcomes in the absence of active community participation. The limited impact may result from poor alignment between environmental programmes and the local economic context. Respondents indicated that mangrove rehabilitation and ecotourism initiatives produced limited economic benefits due to restricted access to education, productive resources, and institutional support (Harahab et al., 2020). These challenges reduce the potential of conservation-based CSR to enhance livelihoods or build resilience. Therefore, it becomes essential to design Environmental CSR programmes that are inclusive, locally embedded, and participatory. When CSR efforts incorporate ecological restoration with income-generating activities and community-led governance structures, they are more likely to foster both environmental sustainability and socio-economic empowerment.

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The Influence of Environmental CSR on Financial Transparency Management from an Accounting Perspective

Environmental CSR significantly strengthens financial transparency management by encouraging systematic and accountable utilisation of funds. Programmes focusing on ecosystem rehabilitation, waste management, and sustainable resource use require accurate financial reporting to maintain legitimacy and foster stakeholder confidence (Mahendra and Wirawati, 2018). The importance of transparency becomes even more critical when environmental investments deliver indirect or long-term returns. Agency Theory, as formulated by Jensen and Meckling (2003), supports this relationship by emphasising the role of financial disclosure in minimising information asymmetry between corporate implementers and community stakeholders. Environmental CSR promotes trust and accountability by requiring detailed documentation of fund allocation and programme outcomes. Furthermore, transparent financial practices enhance monitoring and evaluation processes, which are essential for measuring the long-term impact and sustainability of environmental initiatives. Therefore, Environmental CSR not only contributes to ecological preservation but also acts as a governance tool that institutionalises accountability and strengthens the financial integrity of CSR implementation.

The Influence of Financial Transparency Management on Economic Resilience

Financial Transparency Management significantly contributes to strengthening economic resilience by facilitating efficient resource allocation and ensuring accountability in financial practices, particularly through transparent management of CSR funds underpinned by sound accounting systems. The mechanisms empower communities, particularly in informal and marginalised coastal sectors with limited financial literacy and institutional support, to make strategic financial decisions, optimise expenditure, and sustain long-term economic development. Agency Theory (Jensen and Meckling, 2003; Arofah, 2022) affirms this relationship by demonstrating how trust and transparent reporting reduce information asymmetry and uphold economic integrity. Moreover, Financial Transparency Management serves as a key mediating factor between CSR interventions and economic resilience, with the limited influence of Economic CSR revealing a disconnect between programme design and socio-economic realities. Both Stakeholder Theory (R.E. Freeman, 2010), and Carroll's CSR framework (Carroll, 1991), emphasise the need for alignment with stakeholder needs and economic responsibility, which is only achievable when CSR incorporates financial education and accountability systems. Empirical studies by Azizah, (2024) and Mahendra and Wirawati (2018) confirm that integrating financial literacy with transparent fund management strengthens accountability and produces enduring socio-economic outcomes, thereby positioning financial transparency as a foundational element for the success and sustainability of CSR-driven resilience initiatives in vulnerable communities.

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The Impact of CSR on Economic Resilience through Financial Transparency Management.

The findings indicate that Economic, Social, and Environmental CSR do not exert a significant indirect effect on economic resilience when mediated by Financial Transparency Management, primarily due to persistent barriers including low financial literacy, inadequate technical training, and the absence of structured mentoring throughout CSR implementation. These limitations prevent Financial Transparency Management from serving as an effective mechanism for linking CSR programmes with economic improvement, thereby constraining their capacity to drive meaningful transformation. Stakeholder Theory (R.E. Freeman, 2010) affirms that CSR must align with community needs and capabilities to generate impact, yet the exclusion of capacity-building elements renders financial transparency insufficient to produce sustainable socio-economic outcomes. Empirical findings from Azizah (2024) and Mahendra and Wirawati (2018) confirm that CSR programmes lacking financial education and long-term mentoring fail to improve accountability or resource management. In order to strengthen the mediating role of financial transparency, corporations are urged to integrate financial literacy training, mentoring support, and institutional development into CSR strategies. Embedding these components within a participatory and adaptive framework will reinforce local governance, empower communities, and enable CSR to foster durable economic resilience in vulnerable coastal areas.

The Role of Accounting Perspectives in CSR Optimisation

An accounting perspective critically enhances the optimisation of Corporate Social Responsibility (CSR) by emphasising transparent financial management and systematic reporting, enabling corporations to assess whether allocated resources yield measurable community benefits. This approach aligns with Agency Theory (Jensen and Meckling, 2003), which highlights the reduction of information asymmetry as a means to build stakeholder trust, while Arofah (2022) further affirms that accountability mechanisms improve legitimacy, particularly in areas with weak institutional confidence. Structured accounting practices improve operational efficiency, reduce the risk of fund misallocation, and allow for real-time adjustments based on empirical outcomes, thereby reinforcing CSR effectiveness. By embedding financial governance into CSR implementation, companies strengthen both compliance and socio-economic outcomes, especially in coastal communities facing economic vulnerabilities. Accounting principles thus provide essential tools to ensure that CSR evolves from symbolic commitments into strategies that deliver sustained, impactful development.

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CONCLUSION

The findings demonstrate that Corporate Social Responsibility (CSR) does not uniformly influence the economic resilience of coastal communities. Among the three dimensions assessed, only Social CSR exerts a significant and positive impact. Economic CSR fails to deliver measurable outcomes due to its top-down approach, lack of financial training, and absence of sustained mentoring. Environmental CSR similarly lacks significant influence, largely because of minimal community involvement and poor alignment with local economic strategies. Conversely, Social CSR enhances economic resilience by promoting empowerment, inclusive participation, and skill development, especially among vulnerable groups. Moreover, Financial Transparency Management does not mediate the relationship between CSR dimensions and economic resilience, highlighting deficiencies in financial governance, literacy, and programme accountability. These results support theoretical insights from Stakeholder Theory and Social Capital Theory, both of which stress the importance of responsiveness to local contexts and trust-based engagement. The study thus confirms that CSR's effectiveness relies on participatory designs and the integration of accountability mechanisms into its implementation.

Future researchers should investigate the causal pathways between financial literacy and CSR effectiveness using longitudinal and comparative case methods. Policy-makers and local governments should formulate CSR guidelines that require community-based planning, capacity-building, and transparent fund utilisation. Companies must prioritise CSR programmes that not only distribute resources but also empower recipients through ongoing training and institutional support. It is imperative that CSR strategies shift from symbolic philanthropy to transformational engagement, ensuring that interventions strengthen the economic foundations of coastal communities while promoting accountability and resilience.

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