HAS THE IMPLEMENTATION OF CSR IN INCREASING THE INCOME OF PALM OIL FARMERS COMMUNITY BEEN OPTIMAL?

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Abstract
Research aims to analyze the implementation of CSR to increase the income of palm oil farmers. This is qualitative research. The subjects are parties involved in CPO companies, communities, and stakeholders. Data collection was carried out by means of interviews, FGD, and observation. The results of the analysis show that the implementation of CSR is still not optimal in improving the community's economy. Findings are 1) the pattern of CSR is still charity in nature which causes dependence on the company, 2) the empowerment program by the government has not run well, constrained by the available resources, 3) the failure variable occurs because there is no mental/attitude readiness to manage changes in the funds. Suggestions made are means of expert assistance, training and periodic evaluations that can be used as a solution to improve the CSR program. This research however only covers Merauke Regency where CPO companies exist.

Keywords: CSR, Income of Palm Oil Farmers, Local Community

1. INTRODUCTION
Merauke is one of the eastern regions of Indonesia which is a region directly adjacent to the State of Papua New Guinea, where most of the original inhabitants are the Marind-Anim tribe (Fitriani et al., 2021; Latif & Agustan, 2017; Muchlis & Nurcholis, 2018). Merauke area is part of the lowland area of the Coastal Lowlands Trans-Fly with large areas of wetlands in the form of flooded swamps from major rivers flowing in the area (Laratmase et al., 2019; Mote & Pagaribuan, 2021). Merauke Regency is one of the areas that has a role in increasing the GRDP growth rate in the province of Papua, where there was an increase from 2012 of USD 302.79 to USD 348.27 in 2013, with the contribution of plantations being one of the sectors that dominates, by looking at the contribution based on current prices in 2014 reaching 28.73 percent of the agriculture, fishery and plantation sectors in the growth of Regional Original Income especially Merauke Regency has an area of palm oil plantations of 38,149.10 Ha, but with the moratorium in February 2017 the palm oil industry has experienced problems in delaying expansion or adding production areas.

The palm oil industry raises negative aspects that cannot be separated from industrial development such as land grabbing, conflict, low incomes by communities around the industry and poverty (Ayompe et al., 2021). Palm oil fertilization can negatively affect soil, and land clearing by burning forests can eliminate shelter for animals and microorganisms in the area (Lisdayani & Ameliyani, 2021; Rafili & Buchori, 2022). The existence of the palm oil industry causes damage and pollution to the residential environment around the industry such as road conditions, drainage, clean water (Ayompe et al., 2021; Ziaulhaq, 2022). In addition, land conversion or land use for industry is a trigger for conflict. The lack of respect for local community rights in customary land ownership has led to many prolonged conflicts that have forced various parties to reform governance, policies, and laws to control the rights of local communities and farmers around industrial areas (Arkanudin & Rupita, 2020). In addition to having a negative impact on the existence of the palm oil industry, of course it has a positive impact on the people around it. The positive impact of the existence of the palm oil industry is that the presence companies will create an additional alternative to serve as an additional source of livelihood for the community around the plantation project which will eventually accumulate into the economic growth of the village community (Helviani et al., 2021). The existence of palm oil plantations can be seen from the local community who have experienced social and economic changes, increased local revenue, buy not accompanied by equity for local communities (Ruslan, 2014). The existence of this palm oil plantation can help the Indonesian people, especially in the fields of the economy, clothing, and
food (Lisdayani & Ameliyani, 2021). The impact of palm oil plantations can increase farmers' income and contribute to local revenue (Siradjuddin, 2015). The existence of palm oil plantations increases income, creates employment, and reduces poverty among agricultural and non-agricultural households (Qaim et al., 2020). Therefore, the existence of palm oil plantations will have both positive and negative impacts on the environment. To overcome the negative impacts of the existence of palm oil plantations, plantation companies need to be accompanied by effective farmers development programs to achieve the best results for local farmers and avoid conflicts (Shahputra & Zen, 2018). One of the programs implemented is Corporate Social Responsibility (CSR).

CSR as a concept where companies integrate social and environmental concerns in their operations and in their interactions with stakeholders on a voluntary basis (Abaeian et al., 2019; Tiep et al., 2021; Wang et al., 2018). CSR is broadly defined as actions taken for social good, outside the interests of the company and what is required by law (Crandock et al., 2022). The current CSR program is not just an activity to get the maximum profit for capital owners or shareholders, but also provides benefits to society in general and to the surrounding community (Zebua, 2019). CSR is currently growing, given the view that CSR is very important for the long-term growth and sustainability of a company (Bahta et al., 2021). CSR is built on 4 fundamental layers in a pyramid structure: economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility (Balon et al., 2022). As well as the implementation of CSR must be based on the basic needs of the local community which cannot be separated from the culture of society (Tjilen et al., 2018). Apart from that, carrying out CSR well is very much determined by the role of stakeholders (Banerjee et al., 2022). So that with the existence of CSR can provide improvements to the environment. The existence of CSR has a positive impact on the environment and the company. The existence of CSR builds a green corporate image and achieves a green competitive advantage among businesses around the world (Alam & Islam, 2021; Sellitto & Hermann, 2019). The existence of CSR has a significant influence on financial performance (Gantino, 2016; Kabir & Chowdhury, 2022; Sameer, 2021). CSR's major advances in terms of management, transparency, measurement, environment, and governance translate into important contributions to the efficiency and sustainable growth of companies (Lopez et al., 2022). CSR has a significant positive effect on company value (Karina & Setiadi, 2020). This means that the better the implementation of CSR by the company, the value of the company will increase. Besides affecting the company, CSR also has an impact on the social environment. CSR practices have a positive and significant effect on community resilience and foster social, economic, and environmental welfare (Rela et al., 2020). CSR that is carried out by the company well towards the community has an impact on organizational performance, and the success of the community (Hunjet et al., 2021). So, the implementation of CSR will have a positive impact on the company and the environment. With the existence of CSR will be able to overcome the problems faced.

Currently CSR is also applied to palm oil plantation processing companies in the Merauke region. Based on data from the Merauke Regency Plantation Service for 2022, companies engaged in palm oil plantations operating in Merauke Regency are focused on the locations of the Muting, Elikobel and Mbuti Districts, with a total land area that has been used for planting as much as 269,811 Ha, in fact only 80,827 Ha have been planted. In addition to this, there is a Government Decree which obliges every natural resource management company to take responsibility for improving the welfare and standard of living of the surrounding community. This responsibility is stated in the Decree of the Minister of SOE Number KEP-236/MBU/2003 dated 17 June 2003 and Law Number 40 of 2007 concerning Limited Liability Companies. Article 74 states: (1) companies that carry out their business activities in the field of and/or related to natural resources are required to carry out social and environmental responsibilities; (2) social and environmental responsibility as referred to in paragraph (1) is an obligation of the company which is budgeted for and calculated as the cost of the company, the implementation of which is carried out with due observance of decency and
fairness. With respect to the responsibilities assigned by the government, it is hoped that the company will receive social and economic motives in the form of (1) actualizing community welfare and improving welfare; (2) the occurrence of harmonious relationships between the communities around the company; (3) realizing the company's philosophy (vision and mission); (4) responsibility to shareholders; (5) building the company's brand image; (6) supporting long-term investment motives (going concern). These motives can reduce negative physical impacts, especially environmental impacts such as environmental pollution, as well as social impacts such as the emergence of conflicts between surrounding communities and company management (Tjilen et al., 2018). Disclosure of the cost of social responsibility can be a company strategy to (1) show the company's concern for the environment and the surrounding community; (2) build transparency of corporate responsibility; (3) build a corporate image towards mutual funds and shareholders; (4) support the rate of return on investment which is safer and (5) building an investor image (Bahta et al., 2021). To find out whether the palm oil company has carried out its CSR program properly and in accordance with government decisions, it is necessary to conduct a study related to the implementation of CSR to increase the income of local community palm oil farmers. The results of this study will provide an overview regarding CSR programs that are running well or not so that CSR models can be developed which can later be used for the benefit of companies, government and society and natural resources.

2. METHODOLOGY
Research conducted using descriptive research type. Descriptive research is research that explains symptoms and events or events systematically according to the circumstances or phenomena that occur (Dantes, 2012). In descriptive research, researchers do not manipulate or give certain treatment to the research sample, so that all activities/events run according to reality with a large population (Sudaryono, 2015). Qualitative descriptive research aims to obtain data without manipulation or other treatment (Ningsih et al., 2022). From a quantitative social research perspective, it is explained that a qualitative approach provides a distance between the researcher and the object under study. When observations involve individuals, the focus of this type of research is to focus on aspects of calculation and description of calculation results. This research approach can also be used to look at the values shared by a community or individual, beliefs, cultural realities, and so on. Thus, the question of "how", "what" or "who" can be revealed. The point of view of this research approach will also help in viewing and describing a finding. The findings obtained from the data interpretation process will assist in the process of identifying and evaluating what has been found (Nielsen et al., 2021; Podschuweit, 2021; Smith et al., 2021; Souza, 2022). Therefore, the research approach used is a qualitative approach used to search data regarding the implementation of CSR to increase the income of palm oil farmers. The stages of the research carried out were 1) preparation, this stage aims to prepare research, coordinate with the research team, and guide interviews with a focus on factors that influence community acceptance of the CSR program; 2) interviews, conducting face-to-face interviews and distributing questionnaires to community groups and CSR program actors, 3) data analysis, analyze the result data with exploratory and correlational descriptive analysis tools.

The location of the research was carried out in Merauke Regency, which is the southern part of Papua which has the development of the international CPO industry with one of the foreign investments by Daewoo International Cooperation originating from South Korea with a plantation area of 68,748 Ha in 2012-2013 and continued to grow until the moratorium was implemented, expansion of palm oil land in Indonesia, under the company names PT Papua Agro Lestasi and PT BIO IntiAgrindo which are located in Merauke Regency. The palm oil industry in Merauke Regency itself is an industry that plays a role in increasing regional income and absorbing local and non-local workers, especially in areas in Muting District and Eligobel District. This research plans to last for less than 1 year on the implementation of CSR programs review, to design or formulate a more effective policy model and service management. Sources of research data were obtained from...
documents, research results and through in-depth and in-depth interviews regarding the
description of CSR implementation to increase the income of palm oil farmers. The subject of this
research is to conduct in-depth interviews with the directors and executors of activities; Focus
Group Discussion (FGD). FGDs carried out 2 times, which involved community leaders
(representatives of churches/religions, tribes, and NGOs), and government officials from the
Investment and Planting Agency, Head of Village Empowerment Agency, Department of
Agriculture and Food Crops; Detailed observations were also made in villages/districts that have
direct relationships with companies using community land.

The data collection method used are documents, research results and through in-depth and in-depth interviews related to the description of CSR implementation to increase palm oil farmer income. The interviews were conducted using an interview guide developed from the indicators, which in this case is the implementation of CSR to increase palm oil farmers' income. The question relates to 1) whether the company has implemented a CSR program; 2) the efforts that have been made, which have been attempted and programmed to increase people's income; 3) strategies that must be developed to achieve a better economy and 4) the constraints that are still faced by the community related to the strategies that have been implemented. The data collection method was also carried out with documentation, this method was used as a comparison between the interview results and the actual conditions. The existence of documentation makes research results more accurate considering that a person's memory limitations are related to what is obtained. In addition to these 2 methods, the FGD method was carried out. Focus group discussion, which is better known by its abbreviation FGD, is one of the most well-known qualitative research methods besides interview techniques. FGD is a focused discussion of a group to discuss a particular problem, in an informal and relaxed atmosphere. The number of participants varies between 8-12 people, carried out with the guidance of a moderator. FGD can simply be defined as a discussion that is carried out in a systematic and directed manner regarding a particular issue or problem. In this case this method is used to find out how the development strategy is carried out, which is presented in more detail in Table 1.

### Table 1. Development Strategy

<table>
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<tr>
<th>No</th>
<th>Purpose</th>
<th>Type of Data</th>
<th>Data Collection Techniques</th>
<th>Data Analysis Techniques</th>
<th>Expected Output</th>
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<tr>
<td>1.</td>
<td>Identify the linkages of economic, socio-cultural, and environmental problems in the development of the palm oil industry in Merauke Regency</td>
<td>Ordinal data using closed questions</td>
<td>Observations, surveys and FGDs were carried out in collecting data to determine variables in the model needs analysis. Data collection was obtained from observations and interview results that were collected directly from stakeholders involved from industry, government, local communities,</td>
<td>System dynamic approach by describing and simulating complex problems dynamically by identifying feedback structures in many cases, delay processes in driving system behavior.</td>
<td>It is known that the complexity of the relationship between the problem and the fulfillment of factory capacity in CPO production in the palm oil industry in southern Papua</td>
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Data analysis in research was carried out interactively continuously until completion (Sugiyono, 2014). That is, in the analysis of data the researcher is directly involved in explaining and concluding the data obtained by relating the theory used. Interactive model data analysis consists of 3 main things, namely data reduction, data presentation and drawing conclusions (verification), with explanations 1) data reduction, a selection process, focusing attention on simplifying, abstracting, and transforming raw data that emerges from recorded written notes in the field. If the data collection takes place, further reduction steps occur (making summaries, coding, tracing themes, making clusters, making partitions, making memos), 2) presentation of data as a

| 2. Knowing the economic, socio-cultural, and ecological impacts on the sustainable palm oil industry in Merauke Regency | 1. CLD diagram (causal loop design)  
2. Time series data on palm oil production | Secondary and primary data from institutions related to the palm oil industry in the Merauke district | The approach is through SID (stock flow design) analysis to design it using Powersim 7 software | Knowing the estimation of the availability of optimally sustainable production economically, socio-culturally, and ecologically in the southern region of Papua. |
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| 3. Formulate alternative policies in planning for a sustainable palm oil industry | 1. Policy matrix data  
2. Policy proposal data | Secondary and primary data from institutions related to the palm oil industry in the Merauke district | Sensitivity test and policy analysis | Produce any policy alternatives that need to be carried out in planning for a sustainable palm oil industry and its development |
collection of structured information that gives the possibility of drawing conclusions and acting. Good representations are a key means of valid qualitative analysis including various types of matrices, graphs, networks, and charts, 3) drawing conclusions, the last stage which contains the decision-making process that leads to answers to the research questions posed and reveals the "what" and "how" of the research findings.

3. FINDING
After conducting a deeper study related to the implementation of CSR in Merauke, it was found that currently CSR is being carried out in several fields such as 1) the field of the community's economy; 2) education sector; 3) health sector; 4) socio-cultural field; 5) infrastructure sector and 6) environment sector. However, in this study the field that will be highlighted is the field of community economics. In this field, efforts made by the community include 1) waseda; 2) vegetable gardens; 3) chickens, pigs, and cows; 4) fish farming; 5) carpentry; and 6) truck transportation. While the business that is being proposed is a program that has a sale value in the company's location, because if there is excess production it will be difficult to market because the distance is more than 400 km from the city and about 4 to 5 hours from Merauke with a truck cost of USD 132 to USD 200 one-way. As well as the effort that is being undertaken is the creation of community-based ecotourism, according to the observation at the research location there is land around the green line that is being conserved and guarded by the company and the community, for instance birds of paradise are still well guarded and have the potential as ecotourism areas. As for the economic program with plasma funds (20 percent), the implementation of Article 11 of the Minister of Agriculture Number 26 of 2007 concerning the implementation of the obligations of plantation companies to build gardens for the surrounding community has developed rapidly with monthly profit sharing that can produce 600 to 1 m per month depending on production yields and the price of palm bunches. However, amid the business programs that have been carried out, both those that have been implemented and those that are being worked on, still have not been able to show the desired results, where currently the economy of the people who use CSR funds has not yet developed because there are still many in the form of trials that cannot live long and hard to maintain continuity. Besides that, there are several problems that cause this, among others:

First, the CSR pattern is still charity in nature which causes dependence on companies to always prepare funds and the resulting activities tend to be unsustainable. The activities that are being designed are CSR funds which will be tendered out for companies/NGOs that have expertise. Second, empowerment programs by the government have not run well, constrained by available resources (funds, human resources, and the environment), suggestion to be proposed is that empowerment program from the local government must receive contributions from companies and be integrated with those carried out by companies, so that difficulties in terms of bureaucratic legislation/regulations also limited transportation facilities and funds are more easily met. Third, the variables of knowledge, skills and attitudes are the dominant factors, this is proposed based on the consideration that the availability of funds from CSR is quite a lot, but failure occurs because there is no mental readiness/attitude to manage changes in funds that have been provided such as money received is directly spent on things that are not useful and no funds are saved or developed. Based on this description, it can be said that currently, the implementation of CSR is still not optimal in improving the community's economy. With this condition, of course, the existing palm oil plantations are still not optimal in carrying out their responsibilities. If this condition is disrupted, of course it will have an unfavorable impact on the sustainability of the welfare of the people around it. Based on the research results that have been described, the problem faced is the role of local government that has not been optimal in terms of achievement. We all know that in CSR the role of stakeholders is very important both in providing funds, providing facilities and several other activities.
4. DISCUSSION

The results of the study show that the implementation of CSR is not optimal in increasing the income of palm oil farmers. Of course, this condition cannot be left unbothered, because it will have a negative impact on the welfare of the people around the palm oil plantations. Which of course will have an impact on the regional economy because we know that optimally CSR carried out by companies will have an impact on the welfare of the community and will affect the regional state budget. CSR practices have a positive and significant effect on community resilience and foster social, economic, and environmental welfare (Rela et al., 2020). CSR that is carried out by the company well towards the community has an impact on organizational performance, and the success of the community (Hunjet et al., 2021). The existence of this palm oil plantation can help the Indonesian people, especially in the fields of the economy, clothing, and food (Lisdayani & Ameliyani, 2021). The impact of palm oil plantations can increase farmers' income and contribute to local revenue (Siradjuddin, 2015). The existence of palm oil plantations increases income, creates employment, and reduces poverty among agricultural and non-agricultural households (Qaim et al., 2020). The contribution of the palm oil industry plays a very important role in increasing the country's foreign exchange, the development of industrial areas and its people (Susila, 2004), but many problems have arisen related to the growth of palm oil commodities in developing countries, especially Indonesia in terms of coordination and performance of the industry (Marimin & Safriyana, 2018), towards risk and efficiency (Lake et al., 2016) and institutional sustainability and effectiveness (Raharja et al., 2020) to increase industry competitive advantage. Even though industrial areas in Merauke Regency have not implemented plasma plantations optimally, the problems that arise in the community in the palm oil industrial area have a double impact on the regional economy, especially in terms of employment opportunities and the spread of the surrounding community both for palm oil farmers in increasing people's income and purchasing power, this is a macro effect on the national economy and also the socio-economic impact of the community around the palm oil company (Hikmal said, 2018). This has an impact on the community members affected by the concession being transferred settlements or land by palm oil industry companies to new areas and other customary communities, so that to obtain palm oil from the new area triggers conflict with the community in the area. Apart from this, the issue of taking land with inappropriate compensation or making decisions that do not involve the local government and the family (in this case the women in the family) has an impact on social conflict in the future.

If conditions are not yet optimal, the implementation of CSR in the economic field will have impactnamely it can cause long-term complications, funds can harm the community around the palm oil plantations which will later have an impact on local government revenues, conflict between the community and the palm oil company. Companies should exist to meet the needs of the community, but the role of industrial development emerges such as local communities being displaced due to land use which makes it difficult to get food from nature (social communities that only rely on nature to meet their daily needs) (Santika et al., 2019). The entry of the palm oil industry also has an impact on the loss of some of the potential possessed by the region, including rivers as a source of drinking water, cooking, washing, fishing due to pollution of the river by industrial palm oil plantation waste, changes in the function of forests for hunting, medicinal plants, sacred places to become plantation lands, the loss of local food such as sago, socio-culturally is the loss of ethnic identity and the preservation of local customary values (Cahyono et al., 2020). To overcome this unsustainable problem, it is necessary to make a change by overcoming the factors that hinder the implementation of CSR in the community's economy, especially in increasing the income of palm oil farmers.

Based on the results of research on the problems that must be found solutions, among others, the CSR pattern is still charity in nature. CSR is still charity in nature, which is a caring effort to help the community in the form of social or environmental activities whose implementation is not
programmed and is assistance or a charity program. This condition causes dependence on companies to always prepare funds and the resulting activities tend to be unsustainable. The attitude of community dependence on companies will lead to unfavorable activity and foster a mindset that what is given is not to be developed but to be spent. If this condition is left unbothered, the initial goal of CSR for people's welfare in the economic field will not materialize. And people will emerge who do not want to develop and always expect assistance in an economic sense. The solution offered is CSR funds which will be tendered for companies/NGOs that have expertise. By involving someone who is an expert in their field, it will help direct the community to realize prosperity. Because it is considered that the assistance of an expert will provide knowledge and skills to the community and will certainly produce an effective and more efficient program. Assistance carried out by experts regarding business or fund management will be better than without assistance (Dewi et al., 2021), assistance also plays a role in increasing entrepreneurial independence (Suryana et al., 2020), and assistance can create participatory development from government and society (Triyanto, 2018). So, it is hoped that this solution that is being worked on can overcome the problem of the not yet optimal economy of the palm oil farmers community.

The problem that empowerment programs by the government have not run well, constrained by available resources (funds, human resources, and the environment), suggestion to be proposed is that empowerment program from the local government must receive contributions from companies and be integrated with those carried out by companies. In running a program is strongly influenced by resources, resources here are not only related to funds but human resources. The existence of qualified human resources and in accordance with the needs will greatly help the success of a program. Quality human resources according to job requirements will be able to increase work effectiveness (Ananda Lubis et al., 2019; Indriani, 2021; Putra et al., 2019). In this case, the human resources needed by the government are experts who understand how CSR programs are carried out, bear in mind that in the implementation of CSR the role of the government as a stakeholder is very important. Apart from that, the human resources needed are experts who understand the existence of funds because the current problem is funding. Experts who understand finance or funding will greatly assist in managing funds effectively and efficiently while still realizing the objectives of the program being developed. The solution offered in this case is to provide training to available human resources as needed, through training, experts will provide knowledge and skills according to needs, the existence of training will optimize the potentials possessed by human resources (Ayuningtyas et al., 2017), the training aims to improve the skills and work abilities of employees in the organization (Harini et al., 2015). Providing training is at least a solution that can be used amid limited human resources.

The problem of knowledge, skills, and attitudes are the dominant factor with priority, this was proposed based on the consideration that the availability of funds from CSR is quite a lot, but failure occurs because there is no mental readiness/attitude to manage. This problem is a major problem that needs to find a solution. The low knowledge, skills, and attitudes of the community in managing funds greatly affect the success of a business. In other words, the knowledge possessed by the community will determine the success of the business being carried out. The existence of knowledge allows humans to develop skills that are useful for their lives (Agusmiati&Wahyudin, 2019; Ernawati&Widodo, 2015). In this condition, the knowledge that must be possessed by the community is knowledge in managing the funds provided and having skills in managing the funds provided so that the funds provided in the CSR program can continue and the desired goals can continue. Efforts that can be made to increase CSR knowledge and skills are to involve experts to assist the community which will certainly have an impact on the community's capabilities. In addition, the provision of training on an ongoing basis will provide insight to the community. In addition to mentoring and training, what can be done is regular evaluation to see the progress of the business being developed. Periodic evaluation will provide an overview of the progress or problems faced by the community.
5. CONCLUSIONS

The results of the study show that the implementation of CSR is still not optimal in improving the community's economy. With this condition, of course, the existing palm oil plantations are still not optimal in carrying out their responsibilities. The problems encountered are, first, the CSR pattern is still charity in nature which causes dependence on companies to always prepare funds and the resulting activities tend to be unsustainable. The activities that are being designed are CSR funds which will be tendered out for companies/NGOs that have expertise. Second, empowerment programs by the government have not run well, constrained by available resources (funds, human resources, and the environment), suggestion to be proposed is that empowerment program from the local government must receive contributions from companies and be integrated with those carried out by companies, so that difficulties in terms of bureaucratic legislation/regulations also limited transportation facilities and funds are more easily met. Third, the variables of knowledge, skills and attitudes are the dominant factors, this is proposed based on the consideration that the availability of funds from CSR is quite a lot, but failure occurs because there is no mental readiness / attitude to manage changes in funds that have been provided such as money received is directly spent on things that are not useful and no funds are saved or developed.

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