

**THE ARGAN PROGRAM:  
HOW L'OREAL IMPLEMENT SUSTAINABLE  
BUSINESS PRACTICE**



**Arranged by:  
Baiq Erika Witri Cahyani  
20170510374**

**Advisor:  
Siti Muslikhati, S. IP, M. Si**

**INTERNATIONAL PROGRAM OF INTERNATIONAL RELATIONS  
FACULTY OF SOCIAL AND POLITICAL SCIENCES  
MUHAMMADIYAH UNIVERSITY OF YOGYAKARTA**

**2021**

## STATEMENT OF ORIGINALITY

I hereby declare that my thesis is authentic and has never been submitted to attain academic degree at Muhammadiyah University of Yogyakarta or other universities.

In this thesis, there are no works or opinions that have been written or published by others unless clearly stated as reference in the manuscript, credited by name, and listed in References.

This statement is made truthfully and if there is an error in this statement, I am willing to accept academic sanctions in accordance with the rules applicable at the Muhammadiyah University of Yogyakarta.

Yogyakarta, 14<sup>th</sup> April 2021



Baiq Erika Witri Cahyani

## ACKNOWLEDGEMENT

Assalamualaikum Warrahmatullahi Wabarakatuh

In the name of Allah, the Most Gracious, the Most Merciful. May the peace be upon Prophet Muhammad, the Messenger of Kindness. Only by the blessing of Allah Sub'hanahu Wa ta'ala, thus the author was able to finish this undergraduate thesis titled, *The Argan Program: How L'oreal Implement Sustainable Business Practice*.

This thesis is intended to fulfill the requirements in order to obtain Bachelor of Political Science degree at the International Program of International Relations, Faculty of Social and Political Science, Muhammadiyah University of Yogyakarta as the amalgamation of the author's learning experiences throughout the years of studying in the university. The author realizes that in this writing there are still many shortcomings and is far from perfect. However, the authors hope that this thesis can contribute to the development of International Relations science.

Author would like to thank several parties, of whom the author has received tremendous help and guidance throughout the process of writing this thesis. The sincerest thanks to:

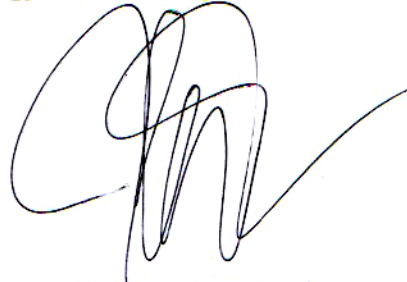
1. Allah Sub'hanahu Wa ta'ala.
2. Ibu Siti Muslikhati, S.IP., M. Si, as advising lecturer who have given time and guidance throughout the writing process of this thesis.
3. Bapak Faris Al-Fadhat, Ph. D and Ibu Wahyuni Kartikasari, S.T., S. IP., M. Si, as examining lecturers.
4. The teaching staffs of IPIREL UMY, lecturers and teachers who have given knowledge and advice to the students of IPIREL 2017. The tutors, for the helpful answers regarding theoretical frameworks.

5. Author's parents, Ibu, Mamak, Ayah, who have endlessly supported and prayed for the author throughout the entire writing process. Grandmothers, whose spirits will always be a reminder of strength and resilience.
6. The best siblings in the world, the recipient of tearful phone calls and sincere confessions of confusion and fears, as well as the source of confidence; Ayuditha and Andini.
7. Friends, old and new, far and close, in Indonesia, Malaysia, Korea, and others who have helped in one way or another. Thank you for the emotional support.
8. *Attack on Titan/Shingeki no Kyojin* anime adaptation and other pieces of media consumed to relieve stress and pressure.

Finally, may this thesis be useful and informative for all of us.

Wassalamualaikum warahmatullahi wabarakatuh

Yogyakarta, 14<sup>th</sup> April 2021

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke extending to the right.

Baiq Erika Witri Cahyani

## **Contents**

CHAPTER I INTRODUCTION .....	7
A. Background .....	7
B. Research Question.....	10
C. Theoretical Framework .....	10
1. The Concept of Corporate Social Responsibility.....	11
2. The Concept of Fair Trade .....	14
D. Hypothesis.....	16
E. Research Method.....	16
F. Research Period.....	17
G. Writing System .....	17
CHAPTER II L'OREAL AS MULTINATIONAL CORPORATION AND INTERNATIONAL RELATIONS ACTOR .....	19
A. The Beginning and Rise of The Biggest Beauty Company in The World .....	19
B. The Characteristics and Influence of L'Oreal as Multinational Corporation and International Relations Actor.....	21
C. L'Oreal's Operation and Commitments .....	24
1. Business Model and Market Operation .....	24
2. Commitments and CSR.....	28
D. L'Oreal and Morocco .....	31
CHAPTER III THE CULTURE, ECONOMY, AND ISSUES IN THE ARGAN INDUSTRY .....	35
A. The Argan Profile.....	35
B. Argan Culture in Morocco and The Rise of Argan Production .....	39
C. The Modern Argan Production and Its Impact to Moroccan Society.....	44
D. Problems and Issues in Moroccan Argan Industry .....	46
CHAPTER IV L'OREAL'S FAIR TRADE CSR: SUSTAINABLE BUSINESS PRACTICE IMPLEMENTATION .....	53
A. Business and Workplace Commitment with Women Cooperatives.....	54
B. Cooperation with NGOs.....	58
CHAPTER V CONCLUSION .....	64
Bibliography .....	66