

Enhancing Social Responsibility through Corporate Ethics: A Case Study of PT INDANA's CSR Initiatives in Jodipan Colorful Village Malang City, East Java

Rizal Haryo Wibisono^{1,a)}, Retno Wulan Sekarsari^{2,b)}.

^{1,2}Department of Public Administrative Science, Universitas Islam Malang, Kota Malang, Indonesia

^{a)} Corresponding author: rizalharyo1@gmail.com

^{b)} sekarsari@unisma.ac.id

Abstract. This journal examines PT INDANA's corporate social responsibility (CSR) initiatives in Jodipan Colorful Village, Malang City, East Java, with a focus on their alignment with corporate ethics and Sustainable Development Goal 11 (SDG 11): Sustainable Cities and Communities. Through environmental transformation, social empowerment, and urban sustainability, PT INDANA demonstrates how ethical business practices can contribute to creating inclusive, safe, and sustainable urban spaces. The study highlights how integrating corporate ethics into CSR can amplify a company's impact on local communities while fostering urban resilience and sustainability.

Keywords: Corporate Ethics, CSR, SDG 11, Jodipan Colorful Village, Sustainable Urban Development, PT INDANA.

INTRODUCTION

Housing is one of the fundamental human needs and plays a vital role in enhancing human dignity and the quality of life. According to Indonesian Law No. 4 of 1992, as stated on the official website of the National Legal Development Agency (BPHN), housing refers to parts of the living environment outside protected areas, whether in urban or rural regions. Housing functions as a living or residential environment and a space for activities that support life and livelihood. A residential environment unit is an area of housing in various forms and sizes with organized land and space arrangements, including structured environmental facilities (bphn.go.id).

Urban areas offer promises of a better quality of life for many. Various attractions in urban areas drive people to choose to reside there. According to Clay (1979: 15-16), several factors that attract people to urban centers include being the hub of all activities, availability of numerous job opportunities, the urban lifestyle, and the perception of owning property in urban areas as a valuable investment. These attractions result in increased urbanization. According to Bintarto (1983: 33), the acceleration of urbanization in Indonesia is driven by factors such as education levels, poverty rates, and geographic conditions. These factors influence individuals to opt for urban living.

The uncontrolled surge in urbanization leads to population growth, making urban areas increasingly crowded. This results in the emergence of informal or slum settlements in urban areas. According to Khomarudin (1997: 83-112), slum settlements are densely populated areas (over 500 people/ha) inhabited by socially and economically disadvantaged communities. Housing in slum settlements is overcrowded, lacks adequate infrastructure, and is often built on government-owned land. The emergence of slum settlements is driven by high urbanization and migration rates, particularly among low-income groups.

Kampung Warna-Warni Jodipan (KWJ) is an example of a slum settlement in Malang City. Located in RW 02, along the banks of the Brantas River, Jodipan Village was known as a slum settlement with environmental issues, particularly sanitation and waste. These issues include limited bathing, washing, and toilet facilities (MCK) and the habit of dumping garbage into the river. High population density results in unorganized and overcrowded spatial planning, along with land legality issues due to its location along the Brantas River basin. Despite its location in a restricted area, residents still pay land and property taxes. This raises questions about the government's commitment to enforcing its policies.

The transformation of this slum area occurred through a Corporate Social Responsibility (CSR) program involving a group of students and a paint company from Malang City. The program aimed to raise environmental awareness among residents through village painting, successfully transforming the slum area into a tourist destination. This change positively impacted the social and economic lives of the Jodipan Village community, now known as Kampung Warna-Warni Jodipan. Community-based management also helped sustain improvements in the area's environmental quality.

Corporate ethics has emerged as a critical framework in guiding businesses toward achieving long-term success while addressing societal and environmental challenges. It emphasizes the importance of integrity, transparency, and accountability in all corporate activities, ensuring that companies do not solely focus on financial profits but also prioritize the well-being of their stakeholders and the planet. Corporate Social Responsibility (CSR), when aligned with corporate ethics, becomes a powerful tool for businesses to contribute positively to society, particularly in addressing urban challenges like housing, waste management, and infrastructure.

One such example is the role of PT INDANA in transforming Kampung Jodipan, a former slum area in Malang City, East Java, into a vibrant urban space known as Kampung Warna-Warni Jodipan. This initiative reflects how businesses can ethically and sustainably address urban issues, turning neglected areas into thriving communities. At the heart of this transformation is the alignment of PT INDANA's CSR strategies with Sustainable Development Goal 11 (SDG 11), which calls for inclusive, safe, resilient, and sustainable cities and communities.

Corporate ethics provides a moral foundation for companies to act responsibly, especially in addressing societal issues. PT INDANA's commitment to ethical practices is evident in its approach to urban revitalization in Kampung Jodipan. By adopting a community-centered and environmentally conscious strategy, the company demonstrated how ethical considerations can enhance the effectiveness of CSR initiatives. Ethical CSR focuses not just on delivering immediate benefits but also on creating a lasting impact by empowering communities and promoting sustainable development.

METHODS

This study employs a mixed methods approach to investigate the corporate social responsibility (CSR) initiatives of PT INDANA in Jodipan Colorful Village, Malang City, East Java. The methodology combines quantitative and qualitative research to provide a comprehensive understanding of how corporate ethics can enhance social responsibility and community empowerment.

Qualitative Phase

Qualitative phase consists of semi-structured interviews and focus group discussions with selected community members and local business owners. This qualitative inquiry seeks to gather in-depth insights into personal experiences and perceptions regarding the CSR programs implemented by PT INDANA. Interviews exploring themes such as empowerment, community ownership, and changes in social dynamics within Jodipan. Group focus facilitate discussions that highlight collective views and narratives surrounding the impact of these initiatives on community life.

Online Searching Method

In addition to traditional data collection methods, this study incorporates online research methods to enhance the breadth and depth of information gathered. The online searching method is an essential approach for gathering extensive and diverse information when researching urban revitalization initiatives such as the transformation of

Kampung Jodipan. This method utilizes digital resources to access a wide range of data, including academic articles, reports, case studies, and multimedia content, which are critical for constructing a comprehensive analysis.

RESULTS AND DISCUSSION

1. Environmental Revitalization

The transformation of *Kampung Jodipan* or Colorful Village in Malang City, East Java, from a previously neglected urban slum to an internationally recognized tourist destination exemplifies a significant case study in the field of environmental revitalization. This initiative, spearheaded by PT INDANA through its Corporate Social Responsibility (CSR) program, underscores the essential role of corporate involvement in addressing the multifaceted challenges encountered in urban settings. Characterized previously by overcrowded housing, inadequate infrastructure, and pervasive waste management issues, *Kampung Jodipan* now serves as a model that aligns with Sustainable Development Goal 11 (SDG 11), aiming to foster inclusive, safe, and sustainable urban spaces.

Central to the revitalization of *Kampung Jodipan* was the deployment of high-quality, eco-friendly paint provided by PT INDANA, which facilitated a substantial renovation of the village's physical environment. This initiative, frequently referred to as the "Colorful Village Project," involved the application of vibrant hues to the buildings in the area, thereby transforming the settlement into a visually cohesive and striking urban landscape. This intervention not only enhanced the aesthetic appeal of the community but also redefined its identity, effectively altering public perception from that of a marginalized settlement to that of a cultural and visual landmark. The project's capacity to inspire a sense of pride and ownership among residents evidences the psychological and social ramifications embedded in processes of environmental revitalization.



FIGURE 1. Before and after the environmental revitalization

Source: <https://www.idntimes.com/travel>

Moreover, the revitalization initiative catalyzed notable economic and environmental advancements within the community. The rising international attention attracted by the project fostered an influx of tourists, subsequently acting as a catalyst for local economic growth. Many residents, who had previously been engaged in unstable or informal employment, established small enterprises, including souvenir shops, food stalls, and guided tour services. This economic shift contributed to enhanced economic stability, reinforcing the principles underlying SDG 11, particularly in its advocacy for inclusive urbanization and sustainable economic growth.

Environmental sustainability constituted another core tenet of this initiative. Prior to the intervention, *Kampung Warna Warni Jodipan* grappled with severe waste management challenges, characterized by limited access to proper sanitation and a prevalent reliance on informal waste disposal methods. In collaboration with local organizations, PT INDANA implemented waste management programs that encompassed recycling initiatives, awareness campaigns, and community-led clean-up efforts. Such measures improved the environmental quality within the village, enhanced the ecological health of the adjacent Brantas River, and aligned with SDG 11's objective to diminish the adverse environmental impact of urban areas.

The transformation of Kampung Jodipan is undergirded by principles of corporate ethics, with an emphasis on sustainable development, social inclusion, and long-term impact. The approach adopted by PT INDANA exemplifies how ethical corporate practices can transcend mere philanthropy, thereby engendering meaningful and quantifiable contributions to urban resilience and sustainability. The participatory framework inherent in the initiative, which actively engaged community members in both planning and execution, ensured that the benefits of revitalization were equitably distributed, granting residents a sense of agency regarding the alterations affecting their environment.

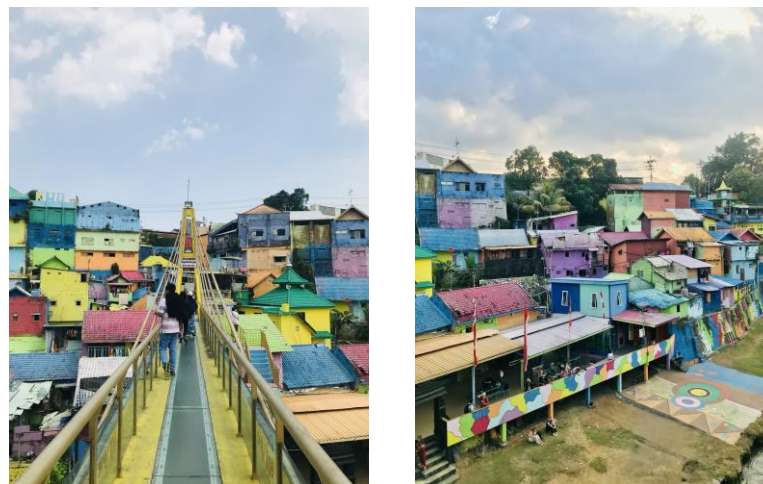


FIGURE 2. Rainbow Village 2024

Source: Personal Research

Furthermore, the environmental revitalization of Kampung Jodipan exemplifies how targeted interventions, guided by principles of corporate ethics and sustainability, can yield significant benefits for marginalized urban communities. By addressing environmental, economic, and social dimensions concurrently, this initiative presents a replicable model for urban revitalization projects on a global scale. The success of this endeavor highlights the potential for ethical corporate engagement to meaningfully contribute to the realization of inclusive and sustainable urban environments.

2. Community Empowerment

Community empowerment is a critical dimension of corporate social responsibility (CSR) that fosters sustainable development and enhances the quality of life within local communities. A notable example of this principle in action is PT INDANA's CSR strategy, which emphasizes skill-building programs aimed at equipping residents with essential capabilities in tourism management, entrepreneurship, and product development. These initiatives are designed not only to stimulate local economic growth but also to ensure that the benefits derived from such transformations are equitably distributed among community members. By focusing on skills that align with the region's tourism potential, PT INDANA has effectively created a framework for sustainable economic participation, thereby enhancing the overall resilience of the community.

The participatory approach adopted by PT INDANA further exemplifies the essence of community empowerment. Residents have taken an active role in the upkeep and revitalization of their village, engaging in

activities ranging from repainting walls to managing waste and operating tourism-related businesses. This involvement has fostered a profound sense of ownership and responsibility among community members, which is crucial for long-term sustainability. As a result of these efforts, many residents have successfully launched small enterprises such as souvenir shops, food stalls, and guided tour services, thus generating a reliable source of income that contributes to their economic stability. This grassroots engagement not only enhances individual livelihoods but also strengthens communal ties, creating a more cohesive social fabric.



FIGURE 3. Foreign tourist enjoying the colorful village landscape.
Source: malangkota.go.id

Moreover, the empowerment initiatives implemented by PT INDANA align closely with the United Nations Sustainable Development Goal (SDG) 11, which advocates for inclusive and sustainable urbanization. By enabling residents to actively participate in their community's economic and social development, these programs contribute to building resilient urban environments. The transformation of *Kampung Warna-Warni Jodipan* from a crime-ridden area into a vibrant tourist destination serves as a testament to the effectiveness of integrating corporate ethics into CSR strategies. This case illustrates how businesses can play a pivotal role in promoting social inclusion and resilience, ultimately leading to improved quality of life for all community members. Through such comprehensive approaches, PT INDANA and all institution behind the project not only fulfills its corporate responsibilities but also sets a precedent for other organizations aiming to make meaningful contributions to society.

CONCLUSIONS

The environmental revitalization of Kampung Jodipan exemplifies the transformative potential of corporate ethics-driven initiatives in achieving sustainable urban development. Through its Corporate Social Responsibility (CSR) program, PT INDANA successfully addressed multifaceted challenges within the community, including inadequate infrastructure, economic instability, and environmental degradation. The project aligned closely with Sustainable Development Goal 11 (SDG 11) by fostering inclusive urbanization, improving environmental conditions, and promoting social and economic resilience.

The use of high-quality, eco-friendly paint to redefine the physical appearance of Kampung Jodipan served as a catalyst for wider socio-economic changes. The aesthetic transformation not only attracted international attention but also instilled a sense of pride and ownership among residents, reinforcing community cohesion. Furthermore, the integration of waste management systems and environmental awareness campaigns underscored the critical role of sustainability in revitalizing urban spaces.

This initiative highlights the importance of participatory approaches in CSR, where community involvement in planning and execution ensures equitable benefit distribution and long-term sustainability. By leveraging the principles of corporate ethics, PT INDANA demonstrated how businesses can transcend traditional philanthropic practices to contribute meaningfully to the well-being of marginalized communities.

The success of Kampung Jodipan offers a replicable framework for global urban revitalization efforts. It underscores the role of multi-stakeholder collaboration in achieving shared goals and highlights how aligning corporate ethics with sustainability frameworks like SDG 11 can create enduring impacts on urban environments. This case study serves as a model for academia, policymakers, and corporations seeking innovative strategies for sustainable urban development.

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