Philanthropy in Settlement Infrastructure Development

A Rochani, N Yuliastuti, and B Sudarwanto
Department of Architecture and Urban Sciences, Diponegoro University - Indonesia
Corresponding author: agusplanoo@gmail.com

Abstract. Current settlements development face problems of funding sources for limited infrastructure construction. Especially during the Covid 19 pandemic, state revenue as the main basis for infrastructure funding could not reach the expected target. It requires blended financing sources that do not only rely on the ability of state funding but also alternative sources of funding, one of which is in the form of philanthropy, an effort to help others which are manifested by a social charity in the form of funds or something else. This research applied a descriptive-analytic method to explore various philanthropic phenomena developed in Indonesia. The results show that philanthropy has been developing for a long time and has become one of the roots of the social life of the Indonesian people. Philanthropy grows from the spirit of togetherness in the community and encourages outcomes in the form of an increased sense of belonging, the community in socializing, and community initiatives in caring for and managing the built network system. The sustainability of infrastructure development on a community scale will be more guaranteed with the existence of philanthropy in the community.

1. Introduction
Urban development in Indonesia continues face with the problem lack of availability of residential infrastructure. The attractiveness of the city as a destination for the urbanization of the population has resulted in an increasingly heavy infrastructure burden. World Bank data shows that nearly 55% of Indonesia's population lives in cities. The rate of urbanization will continue to increase and it is estimated that by 2045, 70% of Indonesia's population will live in urban areas. Especially with the high disparity between regions, the main cities will grow as destinations for population movement from rural to urban areas. The movement of population to cities requires the provision of adequate land and residential infrastructure. This condition is complicated by the low source of financing for urban infrastructure and utility development so that the level of infrastructure service is not optimal.

The ideal settlement is a settlement equipped with adequate housing and infrastructure. The government as the main provider of basic infrastructure services for settlements has set minimum service standards [1]. The stipulation states that the minimum service standards cover road networks, clean water, drainage, solid waste systems, sanitation, electricity, and wastewater management.

The conditions on the ground show that urban settlements are faced with the problem of infrastructure scarcity such as damaged roads, scarce clean water sources, low sanitation systems, and an inoperable solid waste system, all of which have an impact on decreasing the quality of life of the community. Especially during the covid-19 pandemic, the various expected regular funding sources were not able to be realized as planned. State revenue that relies on income from taxation, in line with the weakening purchasing power of the public, has decreased. Sources of financing sources such as privatization, public and private partnerships, domestic private investment, foreign direct investment, bond issuance (such as municipal bonds) continue to experience a slowdown during this pandemic.

Observing the conditions above, efforts are needed to explore other sources of funding through the blended financing mechanism which does not only rely on the ability of state funding, but also alternative sources of funding from the public and companies. One such alternative is in the form of philanthropy, which is to increase social awareness of both individuals and companies to help the surrounding environment.
2. Methodology
This study aims to analyze the strategic role of philanthropy in the development of residential infrastructure. This paper uses the secondary data from journal articles, books, conference proceedings papers, and online journals. Then those data are synthesized and resulted as this data study. The analysis was carried out descriptively to provide an overview of the process of the situation or phenomena of the journey of philanthropy in Indonesia. This effort is carried out through exploring the basic concepts, the values they bring, and the best practice forms of philanthropy implementation that have developed so far. The existing related literatures have mostly focused on philanthropy concept, review of philanthropy policies in Indonesia, and philanthropy in infrastructure development. In summary the following [Figure 1] depicts our review method.

| Task                | Explanation                                                                                                                                 |
|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Searching, Screening| Searching related literatures from the following databases: journal articles, books, conference proceedings papers, and online journals.   |
| Review              | Review the selected sources                                                                                                                    |
| Analysis            | Analysis the selected sources                                                                                                                  |
| Conclusion          | Draw conclusion from the analysis                                                                                                               |

Figure 1. Review approach

3. Result and Discussion

3.1 Philanthropy Concept
Philanthropy is the desire to help others which are manifested by social charities in the form of money or something else that can help. Philanthropy is an intention to bring goodness to humans [2]. The concept that approaches philanthropy today is social capital. In general, good social relations between individuals or groups of people have a positive effect on personal and community groups. The broader use of the term philanthropy in the academic world began in the 1950s. The term "philanthropy", which in Indonesian means "generosity" and "love" for others has not been well known by the wider public, although practically philanthropic activities have become an inseparable part of people's lives in Indonesia [3].

At the international level, the last few decades have seen the emergence of global civil society and transnational non-profit organizations of significant size. Philanthropy as a non-profit sector becomes civil society at the local level, growth driven by the demand for social services, welfare reform, the spread of democracy, and advances in information and communication technology [4].

In contrast to traditional philanthropy, modern philanthropy, which is commonly called philanthropy for social development and social justice, is a form of social generosity that is intended to bridge the gap between the rich and the poor. This bridge is manifested to mobilize resources to support activities that challenge structural injustices that are the causes of poverty and injustice. In the Social Justice Philanthropy concept that is pursued through social development, it is believed that poverty is more caused by injustice in the allocation of resources and access to power in society. Therefore, modern philanthropy is expected to be able to encourage structural and policy changes to favor those who are
weak and minority (even for the case is weak and the majority of Indonesia). In other words, modern philanthropy is more "political".

3.2 Review of Philanthropy Policies in Indonesia

The infrastructure policy in Indonesia also mandates that the state is responsible for the provision of adequate health care facilities and public service facilities [5]. The state's efforts to fulfill these obligations are carried out by gathering various resources, both through regular tax mechanisms and mobilizing sources of community self-reliance. Direct community involvement in infrastructure development concerning community participation in the administration of Regional Government, which confirms that the role of philanthropy can be developed in the form of partnerships, namely giving grants from the community to the Government in the form of money, goods and services according to the prevailing laws and regulations [6]. This mechanism allows the exploration of the potential of both individuals and companies in supporting the financing of infrastructure development in settlements.

Data from the Indonesian Philanthropic Association (PFI) shows that the key actors in philanthropic activities in Indonesia can be categorized into several groups, including:

1. Individual donors
2. Family foundation
3. Community foundation
4. Company foundation
5. Religious foundation
6. Mass media philanthropy foundation
7. Community-based philanthropy
8. Diaspora philanthropy

Philanthropic development aims to promote effective and ethical-based social generosity to achieve social justice and sustainable development in Indonesia. The principle of partnership is developed based on mutual trust, equality of cooperation, participation, accountability, and mutual benefit. Based on the above principles, philanthropic development is carried out with an approach to fostering generosity in achieving independence.

3.3 Philanthropy in Infrastructure Development

Settlement infrastructure development today is an important issue both nationally and globally. This effort is embodied in a world agreement through Sustainable Development Goals (SDGs), namely a global action plan agreed upon by world leaders to end life's fundamental problems such as poverty, economic inequality, and environmental destruction. The problem of scarcity of residential infrastructure is included in the 9th issue of infrastructure, industry, and innovation as well as the 11th issue regarding sustainable cities and communities.

Sustainable development according to the Brundtland Report is an effort to meet the needs and aspirations of the present generation without neglecting the ability of future generations to meet their needs [7]. Sustainable development is supported by three pillars of life, namely environmental preservation, economic prosperity, and social justice [8]. In a more specific scope, sustainable infrastructure is defined as a system that can last for a long time, which allows a man-made environment to develop and provides opportunities for people to improve their quality of life, without sacrificing the integrity and availability of natural, economic, and natural assets. social [9]. This requires development not to damage the environment, to take natural resources in sufficient quantities and, not to cause new problems for future generations.

The role of philanthropy in sustainable infrastructure development is realized through exploring alternative sources of funding, both from the public and the private sector for the achievement of the SDGs. Collecting funds from the public as well as from private companies in Indonesia can be done by crowdfunding or known as crowdfunding, either developed at the community level or developed formally by either foundations or companies.
3.3.1 Philanthropy in Society

The philanthropy of the Indonesian people has grown for a long time, starting from the spirit of generosity taught by religion. All religions command sharing and care for others. The culture of giving represents solidarity, religious devotion, social cohesion, to altruism. Giving is also a way of creating patron-client relationships, reciprocal or reciprocal interactions, and expressing pride, strength, and dominance. Part of the religious teachings can be in the form of zakat, infaq, alms, collections, tithe, punia, darma, and so on. Some examples of the application of philanthropy include:

1. Waqf philanthropy aims to give up private property for the public interest, where the management is done by holding the essence and giving charity to the results. This action can be done by 1) taking direct benefits of the assets that are donated for the public interest such as for mosques, schools, health facilities, water sources, and so on; or 2) make efforts to manage these assets to produce new products that can be used for public purposes, such as the management of rice fields, ponds and other producing goods [10]. For example, in Cairo the development of waqf in the form of water channels, development of commuter ships, and subsidies for food crops [11]. In Cordova, waqf was developed to build primary schools, libraries, scholarships for researchers. In Baghdad, the development of waqf for libraries and lodging for local and foreign researchers [12]. In Indonesia, to be precise, in Sukoreno Village, Jember Regency, waqf is developed by citrus entrepreneurs in elevating the life of the poor around them [13]. This effort has resulted in empowerment charity in the form of creating new sources of production as well as community economic efforts, which in turn can contribute to the welfare of the poor.

2. Philanthropy infaq and alms have developed in the form of contributions to the interests of the people. The difference between infaq and sadaqah is in the limits given. Infaq is only limited to practice in the form of assets, while alms has a wider scope, which can be in the form of assets or that does not include assets such as giving a smile, removing stones from the road, and so on. The use of infaq and alms funds for the development of environmental infrastructure is emphasized that the poor can access infaq and alms funding for the construction of water and sanitation facilities for themselves and communal use [14]. So that community empowerment grows and achieves a healthy society and descendants to remind Indonesian human development.

3. The collection symbolizes the participation of the people in sacrifice and states their responsibility for the needs of worship, the needs of the people, and social needs [15]. Meanwhile, tithing or tithing is an activity to give 10% of income to places of worship [16]. Apart from being intended for the internal management of worship in the church, the collection and tithe funds can also be developed to meet the basic needs of people in need.

4. Dana punia in Hindu terms means good gift, sincerely as one of the practices of dharma teachings [17]. Punia funds are not only limited to material things but can also be in other forms such as donations in the form of energy, thoughts, attention, and so on. Punia funds can be in the form of village punia funds, namely gifts in the form of places, villages or land used for public interests, religious punia funds for the development of religion, science and punia drew funds, namely in the form of giving assets to meet the needs of human life.

Another tradition of giving that grows in a community is through the agreement of the people in a community. Values that continue to run into a culture of giving become local wisdom of Indonesian society [18]. The scope of the community is usually limited to spatial aspects such as the administration of neighborhoods, neighborhoods, hamlets, villages, and so on. The form of agreement can be in the form of jimpitan, parelek, joint venture, and firstfruits.

The results of generosity coming from the community are usually used for social interests and the improvement of environmental facilities that directly touch their daily lives, such as improving environmental facilities in the form of building meeting halls, roads, drainage, bridges, clean water, and so on. Local fundraising promotes community independence, enhances a sense of cooperation and concern for others. Through this activity, residents can create a sense of community independence and
create citizen participation in village development [19]. With local generosity, there will be a sense of belonging and willingness to care for the various facilities that have been built together.

### 3.3.2 Philanthropy by the Foundation

Charity activities are organized not only in the form of individuals but in the form of modern institutions that develop aspects of the professionalism of social work [20]. Philanthropy developed in the form of a foundation is a manifestation of community agreement in developing a vision of service. The definition of a foundation is an organization or legal entity that has goals and objectives which are social, religious, and human [21]. With this aim, the foundation is a non-profit, even though in its journey it manages assets intended for humanitarian services. The establishment of a foundation can be carried out by individuals or groups, by separating part of the assets of the establishment into the initial assets of the foundation. This institution was formally formed through a notary deed and known to the Ministry of Law and Human Rights.

### 3.3.3 Philanthropy by the Company

Philanthropy by companies is a form of corporate concern beyond compliance with state law. In this case, the company gives responsibility to the community and the environment in which they are located [22]. Companies are encouraged to have business ethics with the obligation to allocate a corporate social responsibility (CSR) budget either by the company itself or through third parties, namely non-profit organizations [23]. Business development at the company has great potential to finance various facilities for the surrounding neighborhood. This cannot be separated from the various side impacts caused by the company in the surrounding environment.

Examples of the results of company philanthropic activities include the provision of public facilities, social facilities, construction of road infrastructure, and sanitation for residential areas around the company. In a broader context, SCR is carried out in the form of a symbiotic collaboration between the company and social institutions in the community through environmental improvement programs, habitat conservation, sports, education, and so on.

Every practice of community empowerment turns out to have a manifest function (real and desired) and latent functions which are unwanted and hidden [24]. This shows that the journey of philanthropy will depend on the aspect of accountability. Philanthropy as a form of social generosity is very much determined by a sense of trust from both the giver and the receiver side. From the giver side, the culture of giving is a challenge because not everyone has the same level of empathy. Especially during this pandemic, the cessation of activities on a large scale has reduced business productivity, purchasing power, and the ability of the real sector in society. Meanwhile, from the recipient side, the critical point of philanthropy concerns social justice mechanisms, opportunities to access information, and adequacy in meeting needs. From both sides, efforts from the intermediary side are needed to encourage transparency and accountability of the philanthropic process. Through the enlightenment of both sides, it is hoped that philanthropy can run as expected.

### 4. Conclusions

Philanthropy grows out of a spirit of togetherness and concern for fellow human beings. Various forms of philanthropy have developed from the simplest ones, individually, in the form of community foundations, and the form of corporate care. Various forms of philanthropy in environmental infrastructure development include funding for basic infrastructure development, construction of public and social facilities, and human resource development. Philanthropy encourages outcomes in the form of an increase in a sense of belonging, communion in socializing, and community initiatives in caring for and managing the built network system. The sustainability of infrastructure on a community scale will be more guaranteed with the existence of philanthropy in the community.

### 5. References

[1] Peraturan Menteri Pekerjaan Umum dan Perumahan Rakyat nomor 29/PRT/2018 tentang
Standar Pelayanan Minimal Bidang Pekerjaan Umum dan Perumahan Rakyat

[2] J. Wales, M. Aslam, S. Hine, S. Tawal, and L. Wild 2015 The Role And Impact Of Philanthropic And Religious Schools In Developing Countries (London: University of Birmingham)

[3] H. Latief 2013 Filantropi dan Pendidikan Islam di Indonesia J. Pendidik Islam Vol 25 No 1, pp 123-139

[4] J. Midgley 2006 International Perspectives On Welfare To Work Policy (London: Routledge)

[5] Undang-Undang Dasar Negara Republik Indonesia amandemen keempat (4) pasal 34 ayat 3

[6] Peraturan Pemerintah Nomor 45 Tahun 2017 tentang Peran Serta Masyarakat dalam Penyelenggaraan Pemerintahan Daerah

[7] WCED 1987 Our Common Future (The Brundtland Report) (USA: United Nations)

[8] S. Campbell 1996 Green Cities, Growing Cities, Just Cities?: Urban planning and the contradictions of sustainable development J. Am. Plan. Assoc Vol 62 No 3, pp 296-312

[9] I. P. Kusumantoro, Pradono, I Syabri, and Widiarto 2008 Essay in sustainable transportation (Bandung: Institut Teknologi Bandung)

[10] J. Mubarok 2008 Wakaf Produktif (Bandung: Simbiosa Rekatama Media)

[11] T. Kuran 2001 The Provision of Public Goods under Islamic Law: Origins, Contributions, and Limitations of the Waqf System USC CLEO Research Paper No. C01-13

[12] R. Al-Sergany 2010 Min Rawae’ ‘Al-Awqaf Fil Hadarah Al-Islamiyah ‘Masterpieces of Awqaf in Islamic Civilization’ (Arabic: Dar Nahdet Misr)

[13] I. H. Tamim 2011 Peran Filantropi dalam Pengentasan Kemiskinan di dalam Komunitas Lokal J. The Sociology of Islam. Vol. 1 no. 1, pp 35-58

[14] Fatwa Majelis Ulama Indonesia no. 001/MUNAS-IX/MUI/2015 tentang Pemanfaatan Zakat, Infaq, Sedekah & Aset Wakaf untuk Pembangunan Sarana Air Bersih dan Sanitasi Bagi Masyarakat.

[15] T. Suratno 2019 Kolekte dan dana gereja. Gereja Katolik St. Stefanus Cilandak Available online at: http://www.st-stefanus.or.id/berita/detail/kolekte--dana-gereja. Last access: 20 Dec 2019.

[16] D. F. Burg 2004 A World History of Tax Rebellions: An Encyclopedia of Tax Rebels, Revolts, and Riots from Antiquity to the Present. (London: Routledge)

[17] Admin 2016 Jenis jenis dan manfaat dana punia menurut Hindu Bali Available online at: https://kabaruwata.com/berita/berita-utama/sosial/jenis-jenis-dan-manfaat-dana-punia-menurut-hindu-bali.html#.YG7z1-gzZY. Last access: 18 Nov 2019.

[18] A. J. Pesurnay 2018 Local Wisdom in a New Paradigm: Applying System Theory to the Study of Local Culture in Indonesia Proceedings International Conference on Industrial Technology for Sustainable Development (ICon-ITSD) Oktober 25-26 (Indonesia: Universitas Muslim Indonesia)

[19] H. C. Ariati and R. Hidayat 2013 Pelaksanaan kegiatan jimpitan dalam pemenuhan kebutuhan pembangunan berbasis komunitas (Studi di RW 23 Sadengan Kelurahan Kebonsari Kecamatan Sumberjati Kabupaten Jember) (Universitas Jember: Artikel Ilmiah Hasil Penelitian Mahasiswa 2013)

[20] H. Latief 2013 Agama dan Pelayanan Sosial: Interpretasi dan aksi filantropi dalam tradisi Muslim dan Kristen di Indonesia J. Religi. Vol. 9, no. 2, pp. 174–189.

[21] Undang-Undang Republik Indonesia nomor 28 Tahun 2004 tentang Perubahan Atas Undang-Undang Nomor 16 Tahun 2001 tentang Yayasan.

[22] A. McWilliams and D. Siegel 2001 Corporate social responsibility: A theory of the firm perspective J. Academy of Management Review. Vol. 26. No 1, pp 117-127

[23] Undang-Undang Republik Indonesia nomor 40 Tahun 2007 tentang Perseroan Terbatas.

[24] Z. Abidin 2013 Manifestasi dan Latensi Lembaga Filantropi Islam dalam Praktek Pemberdayaan Masyarakat: Suatu studi di Rumah Zakat Kota Malang J. Stud. Masy. Islam. Vol. 15 No. 2, pp. 197–214