



#### **Conference Paper**

# Sustainability Indicators Sanitation Eco Village of Waste Bank: Case Study in Jakarta

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#### **Abstract**

This research explains about sustainability indicator for the sanitation of eco-village of waste Bank. Sustainability indicators consist of the voice of society, regulation, the condition of finance, supply chain pressure, and internal pressure. In this case, the Cililitan village Waste Bank built by society commitment and run as a Cooperative business. Data collection was done through interview, questionnaires, data triangulation, and literature study. The method used in this study is a mixed method. Researchers see that the waste Bank cooperatives have not been appropriately managed because managerial resources do not maximize existing potential, and sustainability of the development of waste Bank cooperatives tends to stagnate, even though opportunities in the framework maximize the economic potential of organizations to improve the welfare of open citizens very wide. Waste cooperatives also become additional income and also education environment for its citizens but not optimal in its implementation, involvement residents have not yet reached the stage of implementing good sustained.

Keywords: sustainability, cooperative business, waste bank

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# 1. Introduction

Most people today still view waste as useless waste and waste management still rests on the end of pipe approach, which is to collect, transport and dispose of it to the final waste processing site. Large volumes of garbage piles in the final waste processing site have the potential to release methane gas (CH4) which can cause greenhouse gases and contribute to global warming and need a lot of time and money to handle it.

Since the enactment of Law Number 18 of 2008 concerning Waste Management, the paradigm of waste management that rests on the final approach is the time to be abandoned and shift to a new paradigm by comprehensively managing waste as a source that has economic value and can be utilized.

In carrying out waste management there are obstacles faced by local governments, namely:

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- 1. Institutions consisting of institutional, regulatory (legal product) problems, human resources and budget/funding.
- 2. Means and infrastructure, namely technology. Limited land for implementation and management of final waste processing (sanitary landfill).

There are several considerations that underlie the need for waste management, namely:

- Population growth and changes in community consumption patterns that lead to the diversity of volumes, types and characteristics of diverse waste
- 2. Waste management has not been in accordance with the right methods and techniques.
- 3. Waste management can provide economic benefits to the surrounding community.

The solution to improve people's economy through cooperatives and deal with waste problems is to do 3R activities, namely the existence of a waste bank. The implementation of this cooperative-based waste bank is in principle a social engineering to encourage people to get money or capital financing and avoid moneylenders. In addition, through the waste bank the community will be accustomed to sorting out trash that can create a healthy development environment.

Thus the community's participation is expected to participate in waste management. If cooperation and all roles are taken seriously and directed and thoroughly, it is expected that the economic wheel of the community will run well and in turn will provide a significant contribution to the region. On the other hand, revitalization of waste banks must also be supported by the development of models that lead to management efficiency, especially in the area of financial management. Then this paper will analyze sustainability indicator sanitation eco-village of waste Bank, case study in Jakarta.

Waste production in DKI Jakarta continues to rise and is now estimated at 6,000 tons per day. That number is double the target stated in the contract of cooperation between the Provincial Government of DKI Jakarta and PT Godang Tua Jaya as the manager of Bantar Gebang Integrated Waste Disposal Site, which is 3,000 tons per day.

Pursuant to the cooperation contract which is valid for 15 years to 2023, the amount of waste disposed of in the Bantar Gebang Integrated Waste Disposal Site (TPST) is targeted at 4,500 tons per day in the first four years of cooperation. Starting from 2012 or the fifth year since the collaboration, the waste disposed is targeted to drop to 3,000 tons per day, and 2,000 tons per day since the ninth year.



In addition to the risk of heavier hoarding and processing, increasing waste has an impact on the finances of DKI Jakarta. Every year, the capital city must spend hundreds of billions of rupiah to pay for the costs of processing waste (tipping fees) and the social costs of residents around the TPS

The DKI Jakarta Provincial Government, asked its staff to think about reducing waste production since at the household level. Production must also be balanced with processing, both in settlements, schools and markets, so that there is added value. Head of DKI Jakarta Sanitation Department, Saptastri Ediningtyas, will accelerate intermediate treatment facilities, including in Marunda and Sunter, North Jakarta, for processing waste. There will also be small scale waste and processing banks at the village, subdistrict and city levels. The goal is to reduce the volume of waste to the Bantar Gebang TPST.

Garbage bank is a solution to reduce the accumulation of waste in TPST. The way a garbage bank works is to collect household waste that has been separated from organic and non-organic. Organic waste will be used as fertilizer with certain processes involving elements of government and society. Whereas non-organic waste will be reprocessed and recycled for other production. So far, every village in DKI Jakarta Provincial Government has a Waste Bank, but its management is not maximized. Garbage Bank also gives economic value to the community, where the community can deposit waste and then the waste will be equivalent to the value of money.

#### 2. Literature Review

# 2.1. Sustainability on cooperatives

The sustainability literature on cooperatives has significantly developed in recent years and deals with a wide range of topics. Therefore, a 'Cooperative discourse' on sustainability exists with special characteristics linked to historical, social, economic and political facts (Carrasco, 2007; Vargas and Vaca, 2005).

CSR implies an enterprise approach in which a company's strategic objective extends to pursue value for all stakeholders. This approach is not new to cooperative societies because, as the literature indicates, it is a model that is intrinsic to their nature. The pivotal role of partners in cooperative societies (shareholders, customers, suppliers, employees, etc.) implies that they assume different roles as stakeholders to facilitate CSR development, which have the ability to integrate their own needs and to establish solid relationships with them based on participation (Vargas and Vaca, 2005).



Cooperatives have moved toward the area of sustainability, which has placed them in a better strategic position (Collado, 2006). They are entities with a characteristic legal nature in which sustainability is fundamentally important as to the way they operate. Thus the 'cooperative identity' definition adopted by the International Cooperative Alliance (ICA) in 1995 is a first approach to cooperatives' socially responsible behavior (Server and Capó, 2011). 'A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly owned and democratically controlled enterprise' (ICA, 1995). In this definition, we can see some CSR-related matters, although it is in cooperative values where we can more clearly see the relationship between CSR and the cooperative movement (Carrasco, 2007).

Sustainability is an integral part of cooperative values (Belhouari et al., 2005): selfhelp, self-responsibility, democracy, equality, equity and solidarity. Since the beginning of the cooperative movement, members believe in the ethical values of honesty, openness, social responsibility and caring for others. These values are summarized in seven principles: voluntary and open membership; democratic member control; member economic participation; autonomy and independence; education, training and information; cooperation among cooperatives; concern for community. Three of these principles especially remind us explicitly of CSR-related matters (Carrasco, 2007). The fifth principle (education, training and information) indicates that 'cooperatives have to provide education and training for their members' (ICA, 1995). The sixth principle (cooperation among cooperatives) states that 'cooperatives serve their members most effectively and strengthen the co-operative movement by working together through local, national, regional and international structures' (ICA, 1995). The seventh principle (concern for community) specifies that 'cooperatives work for the sustainable development of their communities through policies approved by their members' (ICA, 1995). Hence, the compromise of cooperatives with the community, workers and the environment, since it affirms compromise with sustainability, is clear (Carrasco, 2007).

Sustainability shares numerous common points with cooperative values and principles (Server and Capó, 2011), and therefore constitutes an inherent ideology of cooperatives (Mozas and Puentes, 2010).

# 2.2. Sustainability reporting and assurance

Sustainability reporting is the process through which organizations communicate the social and environmental effects of their economic actions to stakeholder groups within



society and to society at large (Gray et al., 1996). It has been commonly understood as a way of ensuring the legitimacy of organizations, a tool to manage stakeholder relationships, or a process to build good impressions and/or to hide conflicts (Spence and Gray, 2007). According to ACCA (2001,2004), it is the main way through which companies can show their corporate legitimacy to stakeholders.

However, sustainability reporting is subject to concerns in terms of the completeness and credibility of the information provided (Adams and Evans, 2004; Adams, 2004; Dando and Swift, 2003). Enterprises disclose only appropriate information to gain corporate advantage, and a good reputation instead of looking for transparency and accountability for stakeholders (Owen et al., 2000). According to Simnett (2012), the provision of external assurance on the content and structure of CSR reports improves the relevance, reliability and comparability of reports and, therefore, enhances their overall credibility. Benefits of assurance are stakeholders' confidence in the quality of the sustainability information provided and/or more stakeholder trust in the level of commitment to sustainability agendas. Thus the companies that wish to enhance the credibility of their reports and to build their corporate reputation are more likely to adopt assurance (Simnett et al., 2009).

# 3. Methodology

Data collection techniques in the study use this following techniques:

- Observation or observation, data collection of this research will be carried out through observation or direct observation of the object of analysis to explore aspects that are relevant and important as a basis for analysis and interpretation to be carried out.
- Interviews, in order to obtain valid or accurate data in addition to observation, data collection will be conducted through in-depth interviews (in depth interviews) intended to obtain qualitative data as well as some information or information from informants.
- 3. Questionnaire, in order to obtain valid or accurate data in addition to observation, data collection will be carried out through a questionnaire with the intention to explore opinions and obtain some information or information.



#### 4. Discussion

This paper will explain sustainability indicators, which are consists voice of society, regulation, the condition of finance, supply chain pressure, and internal pressure.

# 4.1. Voice of society

This growing 'voice of society' is demanding that corporations, particularly those that have benefited from privatization, address past inequalities and broaden the distribution of business benefits. Society also calls for these corporations to mitigate the more farreaching and indirect effects of their activities on the quality of life of local communities, including environmental damage and health liabilities resulting from previously unregulated pollution, as well as past social exclusion. Increasing demands for information, accountability and, particularly, community participation, have encouraged the private sector to adopt various voluntary initiatives.

# 4.2. Regulation

Considered a key driver of a company's social performance, regulation in developing countries is often weakly developed and poorly enforced, its principal role to define the conditions attached to the permitting of industrial activity – the formal 'license to operate'. Rarely does a formal license to operate specify that the company should deliver on its social obligations and report on these against pre-defined indicators.

However, Waste Bank in Cililitan may voluntarily elect to use Sustainability Indicators to meet requirements for public consultation or to address requirements for public consultation or to monitor stakeholder dialogue throughout an investment project's development and implementation. Such a strategy may assist the society to monitoring performance, and the participation of local communities in decision-making through all stages of a project.

# 4.3. The condition of finance

The financial condition of the waste bank still needs support from the DKI Jakarta Government, especially in terms of managerial funding. Nevertheless the cash flow from the bank waste is smooth and until now it still continues because of the participation of its



citizens that at least once a week deposit the trash into the waste bank. So the finance of waste banks still revolves around the fulfillment of garbage payments for its citizens.

## 4.4. Supply chain pressure

The extractive sectors, particularly, are organized around extensive networks of sub-contractors. Increasingly, The Waste Bank of Cililitan is purchasing products from local suppliers and environmentally proficient or ethically sound sources, driving environmental and social performance upward along the supply-chain. As accreditation schemes diffuse and social auditing increases, having an effective set of indicators in place that monitors ethical purchasing and supply may enhance market advantages in strategic supply-chain management, as well as license/permit acquisition.

The development of product in sustainable development at a societal level, they will also enable consumers to identify and choose between products with differing sustainability ratings, allowing consumers in turn to apply pressure directly or indirectly to perform Waste Bank Cililitan.

## 4.5. Internal pressure

Shareholders and employees alike are increasingly pressuring extractive cooperation to be more environmentally and socially responsible. Cililitan Waste Bank is still unable to optimize the role of its members and among its members cannot yet collaborate to increase waste bank revenues. Much better management is needed in its management. The corporation. Social justice in the workplace is arguably as important as having in place a sound strategy for managing social responsibility in the external environment, particularly given the interrelated nature of the workforce and the local community in many cases. Indicators can bring logic to an overall approach to sustainability performance management with regard to internal corporate social responsibility and especially toward employees.

#### 5. Conclusion

Sustainability indicator sanitation eco-village of waste Bank. Sustainability indicators are consists voice of society, regulation, the condition of finance, supply chain pressure, and internal pressure, In this case, the Cililitan village Waste Bank built by society commitment and run as a Cooperative business. Researchers see that the waste Bank



cooperatives have not been appropriately managed because managerial resources do not maximize existing potential, and sustainability the development of waste Bank cooperatives tends to stagnate, even though opportunities in the framework maximize the economic potential of organizations to improve the welfare of open citizens very wide. Waste cooperatives also become additional income and also education environment for its citizens but not optimal in its implementation, involvement residents have not yet reached the stage of implementing good sustained.

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