

Housing Development for Low-Income Communities (Mbr) in Indonesia

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Abstract

Policy Network in Housing Development for Low-Income Communities (MBR) in Indonesia. This study is driven by the author's interest in policies that involve a variety of multi-sector actors, including the government, private housing developers, academics, the community, and the media. This study uses Frans Van Waarden's (1992) theory of policy network dimensions, which comprises players, functions, structures, institutionalization, rules of action, power relations, and actor tactics. The method utilized is descriptive with a qualitative focus. Data were gathered through a literature review and a field investigation (observations and interviews). The technique for determining informants is purposive sampling. The findings of this study show that the policy network in housing development for MBR in Indonesia does not yet meet the dimensions of a policy network, including the role of the community itself, which is not directly involved and tends to be less active because the community's aspirations and complaints are currently communicated only through NonGovernmental Organizations. (NGOs), there is no functioning mechanism integrated into the policy network, there is no regular schedule of meetings held amongst actors, therefore coordination is carried out more frequently via WhatsApp Group exclusively, and policy actors are not making the best use of existing information channels.

Keywords: Policy Network, Actor, Low-Income Communities, Housing, Coordination

Article Info

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Received: 04-02-2023

Revised: 19-03-2023

Accepted: 23-03-2023

Published: 05-04-2023



1. Introduction

The 1945 Constitution explicitly states that everyone has the right to bodily and spiritual prosperity, to have a place to live, and to live in a decent and healthy environment, including Low Income Communities (MBR). Furthermore, the rules governing housing are further governed by Law Number 1 of 2011 Concerning Housing and Settlement Areas, which states that every individual has the right to a decent life, a place to live, and a safe environment.

Every family need home infrastructure, which is one of the most basic human necessities. Indonesia's housing dilemma stems from a shift in population concentration from countryside to cities. Indonesia's urban population is growing at a rate of roughly 4% annually, outpacing national growth and expected to continue. This demonstrates a strong trend of urbanization in Indonesia. Unfortunately, there is a mismatch between the degree of competence and the demand for human resources in urban areas, resulting in the formation of a social class with a very low economic status. As a result, the poor's fundamental necessities are only met to a limited extent. Their houses and residences are nothing more than a means of survival in the midst of metropolitan life. Their villages are considered low-quality and do not satisfy a reasonable standard of living.

Indonesia, the Metropolitan area's most populous region, is expected to demand 1,050,000 housing units by 2024, despite the fact that housing availability was just 706,651 units in 2014. According on a review of housing demands and management in residential areas, the housing backlog was 343,349 units. A large housing backlog figure indicates initial housing and settlement issues, which serve as the foundation for efforts to meet needs and address them more technically (Sanjaya et al., 2022).

There is agreement among national and regional policies, as well as regional head policies and service operational policies. By enhancing collaboration and commitment among Regional Apparatus Organizations in producing regional plans, as well as integrating settlement and basic infrastructure management (Dedy & Id., 2020). The choice of a policy instrument will be very important if it is based on a comprehensive analysis of the objectives to be attained in the most efficient way feasible, rather than a partial and incomplete examination. The most significant aspect is that it is founded on sound values and political will (Mariane et al., 2022).

Low-income communities must play a role in meeting housing demands. Low-income people lack strong individual strength, so they must band together to build a community. This community has the same goal: to satisfy the need for decent and affordable housing. A well-organized society may achieve its goals in an effective and efficient manner. In principle, it cannot be denied that the increase in housing numbers is heavily influenced by the annual increase in population in a given area, where the population is not uniform. Batam, Medan, Palembang, Jabodetabek, Bandung, Semarang, Yogyakarta, Surabaya, Banjarmasin, and Makassar are cities with populations of more than 1.5 million people with quite significant levels of urbanization and slums (Palupi Satya Kusuma, 2018).

The high demand for housing in Indonesia, as in the rest of the globe, particularly in urban areas with big populations, necessitates government efforts to address housing issues despite many barriers such as restricted housing land (Koko Hernawan, 2020). The strong demand for housing leads to rising house prices. High housing prices make it difficult to realize the aspiration of home ownership, particularly for low-income individuals. Housing development for MBR in Indonesia cannot be completed by a single party, notably the government. However, it must be resolved by collaboration between government officials (central, provincial, district/city) and other stakeholders. Furthermore, there is a need for integrated planning and engagement including diverse stakeholders from all levels of government, business people, academia, community empowerment institutions, and the media, as well as focusing on local communities for development. The involvement of stakeholders or actors in housing development has facilitated the building of policy networks. A policy network is the product of a collaboration between government, community, and private actors (Eddy Kiswanto, 2022).

The network developed in house development for MBR in Indonesia consists of a diverse but not integrated group of actors. In fact, an effective and innovative policy network is made up of a diverse set of players who are centrally and densely integrated (Sugiyono 2018). There is no cohesiveness or close relationship between them, as evidenced by a lack of communication outside of cross-sectoral meeting forums and the absence of initiatives from other actors to communicate with one another in the context of MBR housing development in Indonesia. Problems with the policy network in home building for MBR in Indonesia include the following:

- 1) There is no institutional integration of stakeholders in policy. The planning system is still incomplete and not synced.
- 2) There is currently no effective system in Indonesia for executing MBR housing construction policies.
- 3) Communication between policy players or the government and the community is not optimal due to the lack of a regular meeting schedule and the fact that community involvement is frequently represented solely by NGOs.

According to Law Number 1 of 2011, Low Income Communities (abbreviated to MBR) are individuals with little purchasing power who require government assistance to purchase housing. In Article 54, paragraph (1) of Law Number 1 of 2011 concerning Housing and Settlement Areas, it is stated that the Government is obliged to fulfill the housing needs for MBR, and in paragraph (2) of the same law, it is also stated that to fulfill the housing needs for MBR as follows as intended in paragraph (1), the Government and/or regional governments are obliged to provide facilities for the construction and acquisition of houses through a gradual and sustainable housing.

2. Method

A strategy is a means of working to gain or discover results while carrying out an activity in order to accomplish real results. Using a method to conduct research is a hallmark of science in order to discover legal truth. Meanwhile, research is a fundamental method of advancing science and technology. Meanwhile, legal research is the act of identifying legal norms, concepts, and doctrines in order to address legal difficulties (Peter Mahmud Marzuki, 2021).

Research methods

This research used a qualitative method with a descriptive approach. The qualitative method with a descriptive approach is research that generates descriptive data in the form of written or spoken words from individuals and observed behavior (Ferdiansyah and Ilhami Rizky, 2022).

The qualitative descriptive approach is a postpositivism-based research method used to investigate the conditions of natural objects and experiments, with the researcher serving as the primary instrument for triangulation data gathering techniques.

To get comprehensive data on the problem under study, data and information were collected through observation, interviews, and documentation.

Prior Research

Low-income communities

Low-income people face barriers to owning or purchasing a home (Permenpera No. 27, 2012). In this situation, low-income neighborhoods are the focus of the research, as the MBR has limited access to financing for home building. Low-income respondents' features include their identification, socioeconomic characteristics, and characteristics of the local community's social capital capability.

Housing Planning

Housing can be defined as a group of houses in urban and rural communities that have been equipped with public infrastructure, facilities, and utilities as part of attempts to offer livable housing. Meanwhile, a residential area is a section of the living environment outside of a protected area, whether urban or rural, that serves as a residential or residential setting as well as a location for activities that benefit the lives of the people who live there.

Provider of Urban Facilities and Infrastructure

Residential zones in cities must also include services and infrastructure to support settlement activities. The provision of facilities in residential areas is divided into seven (seven) categories (SNI, 2004), which are government facilities and public services, educational facilities, health facilities, worship facilities, cultural and recreational facilities, open space facilities, parks and sports fields, and means of trade and commerce.

Social Participation

This research will focus on low-income communities' participation in satisfying their housing requirements. Community participation is not as simple as it appears, and it necessitates community involvement at multiple phases, particularly decision making, implying a transfer of power to low-income areas (Panudju, 2022).

LIVABLE HOUSE Category

Shelter is a basic human necessity, and everyone has the right to live in appropriate and affordable housing (Shelter for All), according to the Habitat Agenda (Istanbul Declaration), to which Indonesia has also accepted. Agenda 21 Rio de Janeiro 1992 (High Level Conference/Earth Summit 1992) defines sustainable settlement development as an ongoing effort to improve social, economic, and environmental conditions in order to provide a place for everyone to live and work. For this reason, it

is necessary to prepare adequate housing for all, improve environmental management, regulate the use of land for settlements, improve residential facilities and infrastructure, ensure transportation and energy availability, and develop a construction industry that supports settlement development and maintenance (Budiharjo, 2019).

According to Inosentius Samsul (2022), a healthy habitable dwelling must meet the following requirements:

- 1) Provide for physiological demands such as illumination, ventilation, adequate mobility space, and the avoidance of irritating noises/sounds.
- 2) Meet psychological demands, such as adequate safety and comfort for each tenant of the house, adequate privacy, healthy communication between family members and household occupants, and a living environment with a comparable economic level.
- 3) Meet the requirements for preventing disease transmission among household residents by providing clean water, managing household feces and wastewater, keeping disease vectors and rats at bay, limiting residential density, getting enough morning sunlight, and protecting food and drinks from contamination.
- 4) Meet the requirements for preventing accidents, whether caused by conditions outside or inside the home. These standards include, among other things, a robust building that is free of fire threats, does not cause gas poisoning, and is safe from traffic accidents.

Housing Finance in Indonesia

In general, the home financing system includes the seller/developer of the house (developer) who supplies the houses, the buyer who requires the house, the financial institution that provides the financing, and the government as the regulator and supporter. These parties include:

1) Housing Developers

The developer will begin the housing building process if the study results indicate that there are potential home purchasers in a location (UN-HABITAT and UN-ESCAP, 2018). Once the property is bought and residential infrastructure is in place, developers will quickly seek funds to begin construction on the initial housing units. Some developers will only build housing units after prospective buyers have paid or secured financing permission from banking organizations. Developer money can be obtained through bank loans, internal finance from the developer company, customers, or loans from non-bank financial institutions.

2) Buyer.

Buyers, as parties in need of a home, frequently encounter financial barriers and limited access to finance. Funding strategies for home purchases typically differ depending on the buyer's capabilities and the financial market conditions in a region/country.

3) Financial Institutions

Financial institutions serve the housing industry by providing funding to both home developers and buyers. Financial institutions can include banks that provide housing loans with funding from community savings, savings and loan institutions dedicated to housing communities, special mortgage banks that fund housing loans by issuing securities to investors, and securitization, which collects capital from investors through the issuance of mortgage-backed securities (mortgage secondary market) (Bank Indonesia, 2015).

4) Government

Aside from serving as a regulator of housing distribution and financing, the government also acts as a housing financing agent. Creating an effective housing finance system requires achieving relatively stable macroeconomic conditions, providing an adequate legal and regulatory basis for title loans, encouraging competition in housing financial institutions, and having an adequate risk management framework. This requirement cannot be isolated from the government's responsibilities.

The government's primary responsibility in building an effective home finance system is to provide credit infrastructure and remove barriers to lending. The government's next step is to assist low-income households in obtaining livable housing. This can be accomplished by giving side-demand subsidies such as housing aid and interest rate subsidies.

Role in Housing Finance

A house is one of the most basic human requirements, particularly in the household; in other words, a house determines a person's quality of life. MBR is eagerly anticipating the government subsidy scheme that will provide financing for residential home buying. Financing is the equalization of funds or bills, and it is based on an agreement or arrangement between the bank (creditor) and another party (debtor) that requires the funded party to return the money or bill after a set length of time, with compensation or interest as agreed upon. Housing financing relates to citizens' attempts to build or buy a house (Budi Prayitno, 2021).

This is accomplished by spreading/dividing the relatively high costs of buying/building a house over a longer period of time, allowing home purchasers to tailor the burden they bear to their financial capacities (Muhammad, 2019).

Many people wish to own a home but are unable to make cash payments. As a result, the method for purchasing or owning a home is to make payments in installments, or better known as credit over a set length of time.

Credit or installment payments make it more affordable for the general people. This bank product, known as KPR, provides financing for the general people who desire to acquire a home (Dewi Restu Mangeswuri, 2020).

Categories Of Low Income Communities Based On The Number Of Each Income

The law does not specify the nominal monthly income for the Community category (Low Income). This is due to the uncertainty of daily income. This occurs as a result of their poor economic standing. To make it easier to get subsidized housing assistance from the government, the Ministry of Public Housing and Public Works (PUPR) determines the nominal monthly income of Low-Income People who are entitled to get housing subsidies, which is stated in the Decree of the Minister of Public Works and Public Housing Number 552/KPTS /M/2016 concerning income limits for the target group for subsidized mortgages, selling price limits for landed prosperous houses.

3. Results and Discussion

Actor

Academics, businesspeople, NGOs, the government, and the mass media make up the actors in Indonesia's policy network for MBR housing development. The regional government's actors include the Regent and Deputy Regent, Disperkimtan, PUTR Service, DLH, Social Service, Cooperative Service, Bappeda, and Regional Secretariat. The Association of Indonesian Settlement Development Consultants (AKPPI) represents non-governmental organizations (NGOs), whilst the Association of Indonesian Housing and Settlement Developers (APERSI) represents businesses. Academic actors include Telkom University, Nurtanio University, Bale University, Unpad, ITB, and ITENAS. According to this membership, the policy network in housing construction for MBR in Indonesia follows a pentahelix model with four parties engaged.

Function

The second dimension of the network is function. Actor function refers to what the actor does in the policy network.

Actor	Access in Decision Making	Exchange of Information	Resource Exchange	Teamwork
Local Government	Policy Maker and Implementer	Two-way direction	Provision of Budget, Authority and Legal Considerations	Available

NGOs	Policy Maker	Two-way direction	Providing Information, Skills (Policy Innovation)	Available
Housing Development Organization	Policy Maker	Two-way direction	Providing Information, Data (Number of MBR House Quota, Number of MBR) Skills (Policy Innovation)	Available
Academics	Policy Maker	Two-way direction	Providing Relevant and Updated Concepts, Theories and Information	Available
Mass Media	Unavailable	Two-way direction	Disseminating Information	Available

Source: Author 2023

Structure

Structure is the most important part of the network because it can explain the situation of the policy network. Network structure in housing development policy for MBR in Indonesia.

Actor	Network Size	Membership Type	Coordination Type	Relationship Conditions
Local Government	Lots	Must	Consultative	Cooperative
NGOs	a Little	Volunteer	Consultative	Cooperative
Housing Development Organization	a Little	Volunteer	Consultative	Cooperative
Academics	a Little	Volunteer	Consultative	Cooperative
Mass Media	A Little	Volunteer	Consultative	Cooperative

Source: Author 2023

Rules

The game's rules address the habits that exist in the interaction patterns of actors in Indonesia's housing development policy network for MBR. Actor fragmentation happened during discussions over reducing the FLPP KPR quota, which were undertaken out by the central government through the PUPR Ministry.

The quota reduction has the impact of reducing the remaining stock of subsidized dwellings to 1,599, according to APERSI data. With this decline, the MBR risks losing its home.

Power relationships

Power relations are an important component for policy networks because they represent the allocation of power. Power distribution is reasonably balanced in MBR home development in Indonesia. Actors both inside and outside the PKP Working Group.

Each department, non-governmental organization, academic, and mass media has a distinct role in carrying out its responsibilities. Nobody interferes with each other's work and does not support the work of other actors if it is discovered that someone is not carrying out their responsibilities.

Actor Strategy

Policy networks require strategies for issue solving by examining how actors respond when faced with impediments and challenges (Waarden, 2018).

In discussion forums or coordination meetings, actors employ negotiations, deliberations, or hearings to influence policy decisions. For example, in order to influence a policy so that it reaches the regent directly and is implemented, the PKP Working Group must hold a direct audience with the Regent.

This is because opinions and policy recommendations will be better heard and executed if they are conveyed by actors outside of government institutions, such as the AKPPI.

4. Conclusion

The author's analysis of policy networks in housing development for MBR in Indonesia, based on the six dimensions of the policy network proposed by Frans Van Waarden, suggests that the implementation of the MBR housing development policy network in Indonesia does not fully meet these aspects. Aside from that, the community's role, particularly in low-income communities (MBR), is less visible and not actively participating in its implementation, and the present PKP Working Group is not performing adequately. This is due to the fact that the PKP Working Group's members are dispersed throughout several institutions, making it difficult to share roles and information.

Suggestion

Based on the conclusions and findings presented above, the author makes several recommendations. Specifically, members of the PKP Working Group should schedule regular meetings at least twice a month to coordinate with all members involved, including the Department of Public Housing, Settlement Areas, and Land. It is best to form a special coordination team involving actors from local government, NGOs, the private sector, mass media, banking, and society and build a working mechanism in implementing the housing provision program for MBR in Indonesia, which includes aspects of role division and tasks that are in accordance with each actor's capacity. The Department of Public Housing, Settlement Areas, and Land should centrally manage data on built MBR housing, the number of existing MBR, and the number of uninhabitable houses, which can be synchronized by all actors and then published transparently to the larger community, and finally to all actors. Those involved in implementing the MBR housing development policy in Indonesia should make use of existing information channels by presenting material in an interesting and detailed manner about existing problems, and they are expected to be open to any critical opinions and suggestions during implementation. Each network actor has contributed their work.

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