

Building a common platform for diverse housing and settlement solutions



The Indonesia Urban Dialogue was held in October 2023 in Jakarta. The theme was “A Common Platform for Diverse Housing and Settlement Solutions.” The organizer, the Gotong Royong Housing Coalition, aimed to push for policy changes at the national level, including the establishment of a platform that brings together community and government initiatives.

The Urban Dialogue in Indonesia was organized as a component of the Asia-Pacific Urban Dialogues and will help shape the discussions around establishing an urban housing practitioners hub in Asia-Pacific.

Introduction

Decent housing is a human right, as stipulated by Article 28H of the 1945 Indonesian Constitution. The State must ensure the progressive fulfillment of decent housing through policies that include regulatory and financing components. The Indonesian people also have a sizeable stake in addressing the housing deficit; 70% of housing needs are fulfilled independently by individuals. This intervention has come to be known as owner-led construction. While a powerful display of pro-active participation, owner-led construction is not a holistic solution to the lack of adequate housing for all.

Through the Indonesian Urban Dialogue held on October 5, 2023, the Gotong Royong Housing Coalition campaigned for the creation of a Housing Implementation Acceleration Agency, or BP3, which is mandated by Presidential Regulation No. 9/2021 to drive the provision of decent and affordable public housing for low-income households. The establishment of the BP3 is expected to encourage breakthroughs across sectoral bodies. Together with other stakeholders, the Coalition encourages civil society to take an active role in the formulation, planning, and establishment of BP3 to ensure the fulfillment of the right to adequate housing and empowered participation of marginalized populations, especially those living in informal settlements. This policy brief is produced by the Gotong Royong Housing Coalition, of which Habitat for Humanity Indonesia is an active member.

Recommended solutions



Establish the Agency for the Acceleration of Housing Implementation

Set up this agency, also known as BP3, which will be responsible for:

- carrying out the management of conversion funds and the construction of simple houses and public flats;
- carrying out the provision of land to be utilized for housing;
- organizing operational coordination across sectors including infrastructure, facilities, and public utilities;
- coordinating the licensing process and ensuring the delivery of residential services; and
- carrying out the transfer of ownership of public housing with the facilities provided by the government.



Greater integration

Integrate the BP3 structure into the development of the country's medium- to long-term housing strategy as in the 2025-2029 Medium-Term Development Plan through the Ministry of National Development Planning.



Strengthen current programs

Enhance existing government programs such as DAK Integrasi by adding components that will address agrarian reform in urban areas, improve spatial policies to resolve informal settlement issues, and recognize other forms of management and financing like those present in cooperatives.



Pilot projects enhance learning

Mobilize the Gotong Royong Housing Coalition's members to carry out pilot projects that can inform new policies on decent housing for informal communities. Pilot projects that show a variety of approaches can be an important tool for learning. Documentation from these efforts can be used to formulate a comprehensive policy for the provision of adequate housing at the national level.

Challenges and opportunities

1. Land tenure in Indonesian cities is controlled by the elite minority. According to a 2015 World Bank report, 0.2% of Indonesia's population owns 74% of the country's land, while 99.8% of Indonesians are left with what remains.
2. Historically low government spending for the housing sector poses a challenge. In 2015, the housing budget was only 0.4% of the total state budget, equivalent to 0.06% of GDP. Housing supply for low-income households is also largely dependent on private developers, which translates to a heavy reliance on financing from formal institutions. This means public housing is accessible only to those individuals who are considered "bankable." There are limited options for subsidized housing programs for informal settler families who lack the necessary documents that will enable them to benefit from such programs.
3. Low levels of participation from informal community groups hinder the provision of adequate housing for informal settlement residents in Indonesia. In response, the Gotong Royong Housing Coalition which comprises several grassroots and nongovernmental organizations implemented initiatives — based on the spirit of collective action, or gotong royong. Examples include the practice of land sharing in Kampung Pisang Makassar; short-distance relocation among groups in Bungkutoko Kendari; onsite upgrading of riverbank settlements in Kampung Tongkol, Krapu and Lodan in Jakarta; the construction of Kampung Susun Aquarium, and Kunir in Jakarta, and the local improvement of Kampung Mrican Jogja.

Recommended solutions



Amend local government act

This ensures that authority on housing policies does not solely reside with the central government. This will allow local governments to become more engaged in the implementation of pilot projects and grassroots initiatives that address housing issues. This will encourage more partnerships between the government and civil society that are aimed at meeting local housing needs.



Gotong Royong Housing Coalition comprises the following members. For more information about the policy brief, please reach out via email.

- Arkom Institute
info@arkomindonesia.id
- ASF Indonesia
asf.id.jakarta@gmail.com
- Habitat for Humanity Indonesia
punjung.widodo@habitatindonesia.org
- Jaringan Rakyat Miskin Kota Jakarta
- Paguyuban Kali Jawi
- Rujak Center for Urban Studies
info@rujak.org
- Urban Poor Consortium
gugunmuhammad@gmail.com
- Yayasan Arkom Indonesia

Challenges and opportunities

The Gotong Royong Housing Coalition's solutions have allowed communities to manage their residential areas independently through the establishment of cooperatives. The Coalition considers most of the initiatives as a form of citizen response to government policies that have not catered to the specific needs of informal communities. Instead, government policies are still focused on enforcing eviction. However, these initiatives are sporadic in nature, scattered across various cities due to variable factors that affect their implementation.

Despite the lack of inclusion of informal communities in housing policies, the Coalition appreciates government programs in the housing and settlements sector that are based on a holistic approach. For example, the Integration of Special Allocation Fund Program, or DAK Integrasi, is a comprehensive program. It includes the provision of drinking water, sanitation infrastructure, public facilities, the improvement of housing quality and housing provision, the resolution of agrarian issues, and the diversification of financing options.

To accelerate reach and sustainably expand community involvement, the Coalition is pushing for national-level policy changes. These include the establishment of a platform that brings together community and government initiatives. The platform is expected to be independent and feature breakthroughs in sustainable and accountable financing. It will also promote the resolution of land issues, as well as options for various forms of tenure, ownership, and management of land, including the establishment of housing cooperatives. The platform can also serve as a coordination mechanism for housing policies across sectoral bodies.