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MODELS OF CENTRAL AND REGIONAL GOVERNMENT POLICY IN THE PROCUREMENT OF HOUSING FOR LOW-INCOME COMMUNITIES IN INDONESIA

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ABSTRACT

This study aims to design the concept of a synergy model of central and local government policies in the provision of housing for low-income communities in Indonesia. The design of this research analysis uses a mixed-methods approach through a sequential exploratory model. The results of the study found that to synergize the policies of the central and regional governments in the provision of housing for low-income people, it needs the proper parameters. The priority scale model for the construction of synergy consists of dimensions of perception equality, dimensions of communication patterns, attitudes of policy implementers, resource potential and dimensions of bureaucratic structure. To synergize housing procurement policies for low-income people, institutionally involving various institutions and other stakeholders, both at the central, provincial and district/city levels.

KEYWORDS: Policy Synergy, Government Policy, Low-Income Communities

INTRODUCTION

The need for housing is one of the basic needs of human life. Houses have links to the social and economic needs of their inhabitants through identity, security, and stimulus (Turner, 1972). Meeting the needs of livable homes, especially for low-income people, is a difficult problem to solve. This is motivated by the ability of financing low-income communities who are unable to provide funding to participate in the procurement of housing at the time of procurement and the provision of development is very minimal (Budihardjo, 2006).

Housing problems in Indonesia are referred to as backlogs or housing shortages, especially for low-income communities (LIC) (Bramantyo, 2012). The limitation of low-income communities in accessing decent houses has resulted in the procurement of houses independently being one of their choices. In addition, the feasibility of the house is not only physical, but also environmental problems such as pollution, pollution, misplaced locations, to natural disasters (Putra &Manaf, 2014), including the legality of land ownership is a consideration in housing procurement (Tunas &Peresthu, 2010).

The limited availability of housing is caused by the rapid growth of population and households, causing the need for new housing to increase from year to year. Meanwhile, in terms of providing the number of houses built have not been able to meet the growth itself. The shortage of houses (backlog) is estimated at 13.5 million units at

the end of 2017, an increasing number of households that occupy uninhabitable homes and are not supported by infrastructure, adequate environmental facilities and public utilities and increasingly widespread slums. The limited urban land area is not able to accommodate the insistence of population growth and in the end often leads to irregular, slum and uninhabitable settlements.

Other problems in providing housing for the poor are the imbalance between the number of poor people and the needs that must be provided, the lack of access to basic infrastructure and facilities, as well as the uncertain livelihoods (Sarimah, 2016). Demand for low-cost housing is not proportional to the availability. This is due to limited land, ineffective policies, the ability of businesses, and the high supply of raw materials.

Inequality in housing provision in Indonesia occurs, both in terms of supply and demand. The high demand for housing is not proportional to the availability of houses, this is due to the limited availability of land, resulting in higher land prices. Policies that are still less effective, the high price of materials and building materials is a crucial issue that also influences the imbalance. This is a joint responsibility, both the central government, regional governments, developers, and banks in an effort to meet the needs of housing for people in Indonesia.

Through the implementation of good housing, low-income communities are expected to be able to live and inhabit decent and affordable houses. In-Law Number 1 of 2011 it also stated that the LIC is a community that has limited purchasing power so it needs government support to obtain housing, in an effort to increase the LIC's accessibility to homeownership, even though the government has provided many assistance facilities and easy housing finance for the LIC to own a house but in reality there are still many people who cannot access the assistance/facilities.

Based on Law Number 23 of 2014 concerning the Regional Government, Public Housing and residential areas are one of the concurrent government affairs related to basic services. The law has divided governmental affairs in the field of housing and residential areas which are the authority of the central government, provincial government, and district/city governments. Therefore, a mapping of relevant government policies is needed so that policy synergy occurs, especially housing finance for low-income people. The policy map is also needed to support the achievement of the objectives of the 2015-2019 National Medium-Term Development plan.

Besides that the role of local governments in housing finance is still not optimal, in the future it is expected that local governments can be actively involved in housing development and financing. In order to increase housing construction for the LIC, it is necessary to improve and develop synergy between central and regional government policies in housing construction for the LIC.

As an effort in providing housing for low-income people, the role of the government is needed in facilitating the provision of housing for the poor (Suprijanto, 2004) including the construction of livable housing sourced from the state budget, regional budget as well as from non-government social institutions such as CSR, Baznas and the like. This is also the case in several other Asian countries, such as China and India, where the role of the government in providing livable and affordable housing for the poor requires special policies such as policies related to land provision and appropriate financing systems (Cai & Lu, 2015; Ram & Needham, 2016; Shi, Chen, & Wang, 2016; Winarno, 2018).

The purpose of this research is to design the concept of a synergy model of central and local government policies in the provision of housing for low-income communities in Indonesia.

METHOD

This research will be carried out using two scientific approaches, namely the public policy approach and the legal (juridical) approach. The data analysis design used to analyze research data is a mixed-method approach through a sequential exploratory model (Creswell, 2010). This sequential exploratory model is intended to conduct a mixed analysis, where qualitative analysis takes precedence, then followed by quantitative analysis.

RESULTS AND DISCUSSIONS

Synergy Model of Central and Local Government Policies in Housing Procurement for Low-Income Communities (LIC)

The results of the study found that there are five dimensions and 18 indicators that have empirically helped determine the success of the synergy of central and local government policies in the provision of housing for low-income communities (LIC). As for the five dimensions and 18 indicators referred to, among others; dimension of similarity of perception, which includes six indicators, namely; Similarities in Perceptions About Understanding of Housing Procurement Policies for LIC, Similarities in Perceptions About Policy Objectives, Similarities in Perceptions About the Content of Policies, Similarities in Perceptions About Policy Programs, Similarities in Perceptions About Policy Implementation, and Similarities in Perceptions About the Objectives of Housing Procurement Policies for LIC. Then second, the dimension of resource potential which includes; indicators of Apparatus Resource Capability in Quantity, Apparatus Resource Capability in Quality, Budget Resource Capability, Facility Resource Capability. Third, the dimensions of communication patterns which include; Indicators of Policy Dissemination Form, cooperation model, and completeness of information.Fourth, the dimensions of the attitudes of policy makers which include indicators; stakeholder consistency and stakeholder commitment.Fifth, the dimensions of the bureaucratic structure which include indicators; distribution of authority, support of all stakeholders and the review of procedures and permits.

Then to measure the success of the synergy of housing procurement policies for low-income communities (LIC), which must be prioritized by all stakeholders is a common perception among all stakeholders. The next priority is to encourage effectiveness/communication patterns among various stakeholders. Then the third priority is to build commitment and consistency (attitude) of policy actors, while the fourth priority is to increase the ability of the resources owned. The fifth priority scale is to determine the bureaucratic structure that is able to support the success of policy synergy.

The policy synergy model in the context of this study is a pattern that illustrates a relationship or interaction and communication and harmonious cooperation between various stakeholders involved in the procurement of houses for low-income communities (LIC). The construction of this model of policy synergy is also based on a variety of policy sources (juridical approach), both at the national level, such as laws, government regulations, and ministerial regulations, as well as local policies, such as regional regulations and regional head regulations, which are legal, can be used as a legal uLICella for all stakeholders involved in implementing housing procurement policies for low-income communities (LIC).

The policy synergy model in question can be explained as shown in the figure below:

Based on Figure 1 above, it can be seen that to implement a housing procurement policy for low-income communities (LIC), there needs to be synergy from various stakeholders involved both at the central and regional levels. Institutionally the stakeholders involved in the policy include the executive and legislative institutions, the business world,

banks, state-owned business entity/regionally-owned business entity, and other agencies that functionally provide reinforcement to the successful implementation of housing procurement policies for low-income people.
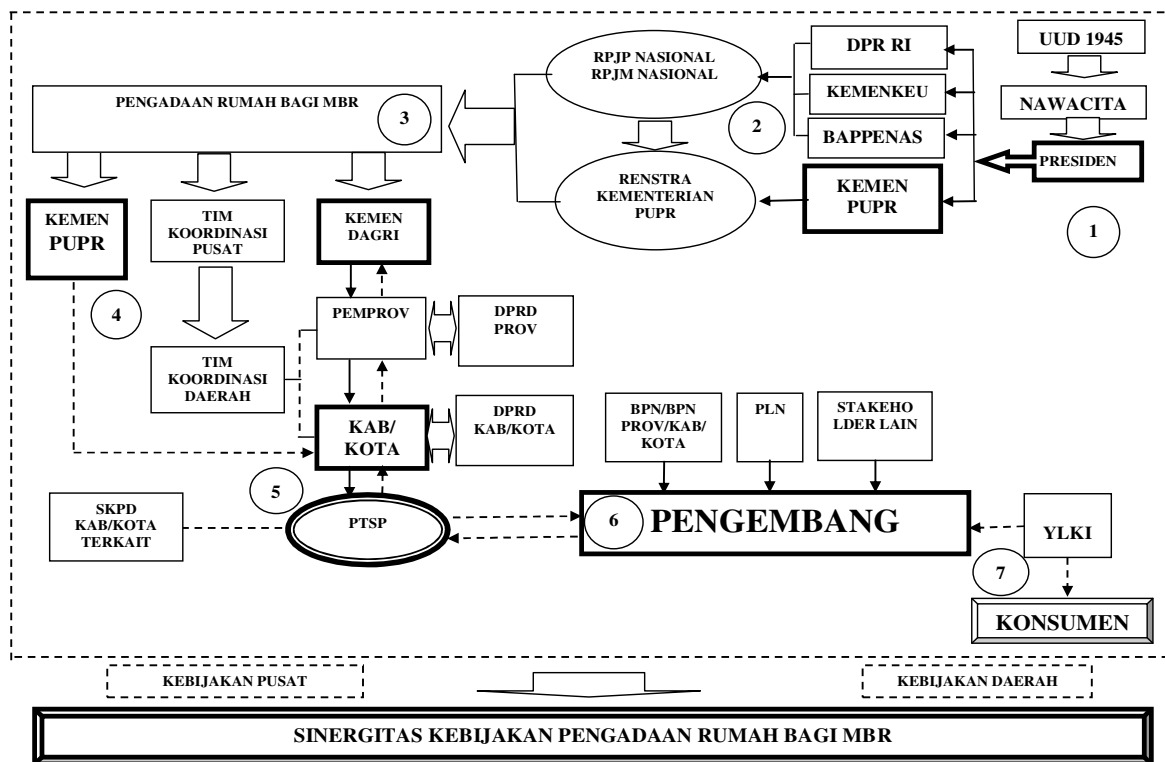

Figure 1: Synergy Model of Housing Procurement Policy for LIC.

Based on Figure 1 above, it can be seen that to implement a housing procurement policy for low-income communities (LIC), there needs to be synergy from various stakeholders involved both at the central and regional levels. Institutionally the stakeholders involved in the policy include the executive and legislative institutions, the business world, banks, state-owned business entity/regionally-owned business entity, and other agencies that functionally provide reinforcement to the successful implementation of housing procurement policies for low-income people.

Constraints and Problems in Implementing Housing Procurement Policies for Low-Income Communities (LIC)

Empirically the implementation of housing procurement policies for low-income community (LIC), does not appear to be fully effective. It is suspected that there are various constraints and problems that are quite crucial so that it has implications for the success of the housing procurement program for the low-income community.The results of the study found that there were obstacles and problems surrounding the program, including;

- There are differences in the content of the policies governing the procurement of houses for LIC. For example, the difference between the contents of Law number 1 of 2011 and Law number 23 of 2014. For example, based on Law number 1 of 2011, Article 14 section h states that the provincial government must allocate funds and/or development costs to support the realization of housing for LIC. Then in article 15 part m, it is explained that the district/city government must allocate funds and/or development costs to support the realization of housing for LIC. Furthermore, in article 18 part estates that the district/city government must reserve or provide land for the construction of houses for LIC. The contents of the explanation, apparently not in line with the explanation of law number 23 of 2014. The emergence of these differences clearly could have implications for the interpretation or

interpretation and understanding of various stakeholders on the contents of the policy. These conditions, then have a real impact on local governments in translating housing procurement programs for LIC. So there is an "impression" that the regional government, both provincial and district/city, is considered to have less role or to take part in the success of the housing procurement program for LIC. In this context, it is true that all stakeholders, especially the central government (the Ministry of Public Works & Public Housing and the Ministry of Home Affairs) sit together in discussing the content of the two laws.

- There are different perceptions in the issuance of Taxpayer Identification Number which is a requirement in the credit agreement, between the Regency/City Regional Revenue Service and the tax service office. The Perception of the Tax Service Office, under 4.5 million, does not need a Taxpayer Identification Number, while the perception of the Regional Revenue Service for Subsidized Housing Credit is required to have a Taxpayer Identification Number. This condition is also one of the problems and at the same time an obstacle that must be solved institutionally, especially between the regional government and the tax service office.

- Land price movements are increasingly expensive, especially in big cities or regions that are considered strategic in business development. This clearly has implications for the selling price of houses which are increasingly expensive as well. If this is not controlled, the government and various stakeholders will clearly find it difficult to translate housing procurement programs for low-income people. In this context, the seriousness of the government in controlling land prices and initiating land banking programs seems to be realized immediately.

- The inconsistency of the government in implementing incentives and disincentives in the context of housing procurement policies for LIC is also a separate issue. For example, how is the attitude of the central government towards local governments who lack discipline in implementing spatial planning policies? This could have implications for other sectors that should support the housing procurement program for LIC. For example, the State Electricity Company is not willing to facilitate electricity if the housing concerned is not in accordance with the spatial layout. Another problem that is no less important is the presence of other stakeholders who are less supportive of the provision of housing for low-income people. For example, there are still a number of licensing institutions at the regional level that are less effective and efficient in supporting the procurement of houses for LIC as well as the land certification process which is also not yet effective and efficient.

CONCLUSIONS

Empirically the synergy of housing procurement policies for low-income communities has not been fully effective, due to the ineffectiveness of socialization, the lack of capacity of the apparatus and facilities, the lack of consistency of stakeholders in supporting the success of housing procurement policies for low-income people, and the lack of effectiveness of procedures and licensing. The results of the study also found that to synergize housing procurement policies for low-income communities, institutionally involving various institutions and other stakeholders, both at the central, provincial and district/city levels. Juridically found that there are differences in the content of policies regarding the procurement of houses for low-income people, where it causes different perceptions in translating the implementation of housing procurement policies for low-income people.

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