

02 HOUSING

Indonesian cities lack quality affordable housing. Urbanization and population growth mean that an estimated 820,000 to 920,000 new units are needed in urban areas each year because of new household formation and migration to cities.¹ The private sector only produces approximately 400,000 units per year and an additional 150,000 to 200,000 units are delivered by the public sector. This leaves a gap of 220,000 to 370,000 households that must resort to self-initiated solutions or overcrowding in existing units each year. In addition, there is a massive quantitative and qualitative housing deficit, estimates of which range from 3.5 to 17 million units depending on which criteria are used.²

Indonesia's kampungs, or dense urban villages, house a majority of low income households in urban areas. Typically characterized by incremental growth, self-financing and construction, and shared basic infrastructure and services, urban kampungs house longtime residents over generations and provide shelter to new migrants. However, newly established kampungs in insecure inner city sites provide limited tenure security and are vulnerable to hazards such as landslides and flooding. Even the more established and well-to-do kampungs in central areas risk demolition and displacement to make way for new, larger scale development projects due to developer buy-outs and evictions.

Lack of access to housing finance and the high cost of land in inner city areas mean that low-income households often resort to squatting or, in a best case scenario, purchasing housing on the urban periphery. These households end up paying premiums

for transportation and other costs, with negative impacts for the spatial and socio-economic development of Indonesian cities. An estimated 12.2 percent of urban residents currently live in slums.³ Many of these slum and squatter areas are not legally recognized and therefore lack basic services, becoming zones of exclusion and poverty.

Access to well-located affordable housing in Indonesia is constrained by a number of factors. On the demand side, limited financial inclusion, low incomes, and limited household saving restrict access to the formal housing sector. Over 60 percent of Indonesians are not part of the formal workforce and hence have limited access to the financial system.⁴ Many of these households may be able to afford a housing loan, but lack credit histories and are considered unbankable by the commercial banking sector. Unlike in countries like India or Mexico, the financial sector in Indonesia has not yet developed innovative underwriting and credit risk management solutions to provide housing solutions to low-income and non-salaried earners. As a result, only the richest 20 percent of households can acquire housing in the formal commercial market. The middle 40 percent of households require mortgage subsidies to access housing, while the bottom 40 percent of Indonesians cannot afford a formal basic unit without deep government assistance.

On the supply side, land availability bottlenecks, including complex land acquisition, permitting and servicing processes, constraints on developer finance, and rising land and construction

costs have limited formal housing development. Developers have little incentive to build for the low-cost market, instead preferring to maximize profits where strong demand from higher-income families or investors exists.

To address these issues, the Government of Indonesia has developed a number of policies and institutions to support affordable housing. These include a series of neighborhood development programs, highly to fully subsidized public rental programs, an up-front subsidy for incremental home improvements, and a subsidized Mortgage Liquidity Facility. In addition, several state-owned enterprises, including the National Affordable Housing Corporation, PT Perumnas, are entrusted to play an active role in improving supply of and access to affordable housing. Unfortunately, these initiatives and institutions have not yet been effective in improving housing outcomes at sufficient scale, and government spending on housing has not always been equitable or effective.

Some local governments have pioneered programs that have achieved local results: for example, a housing microfinance scheme in Palembang, and a rental housing program administered by DKI Jakarta. However, these local initiatives often lack sustainable funding and the political support to be scaled up. Surabaya, the second largest city in the country, offers better municipal housing solutions than most cities in Indonesia, but it only has a dozen municipal housing blocks for a metropolitan population of 7.3 million, with most of them located in the municipal periphery.

¹ Based on most recent BPS Susenas and MPWH administrative data, as cited in http://www-wds.worldbank.org/external/default/WDSContentServer/WDS/EP/2015/07/09/090246-0200enFeb12_0/Rendred/IND00PD0NationalAffordedHousingProgram.htm.

² Ibid.

³ Ibid.

⁴ Ibid.



02 PERUMAHAN. Kota-kota Indonesia kekurangan perumahan dengan kualitas baik dan harga terjangkau. Urbanisasi dan pertumbuhan penduduk memerlukan sekitar 820.000 sampai 920.000 unit tempat tinggal baru di daerah perkotaan setiap tahunnya, seiring dengan terbentuknya rumah tangga baru dan migrasi ke kota.¹ Sektor swasta hanya dapat memproduksi kira-kira 400.000 unit rumah per tahun, dan tambahan sebanyak 150.000 sampai 200.000 unit rumah disediakan oleh pemerintah. Ini masih menyisakan kekurangan bagi 220.000 sampai 370.000 rumah tangga yang harus mencari solusi sendiri atau berjejalan di unit yang ada setiap tahunnya. Selain itu, terjadi defisit perumahan yang sangat besar, baik secara kuantitatif maupun kualitatif, yang diperkirakan berkisar antara 3,5 hingga 17 juta unit tempat tinggal, tergantung kriteria apa yang digunakan.²

Berbagai perkampungan padat diperkotaan menampung mayoritas rumah tangga berpenghasilan rendah. Dengan bercirikan sebagai berikut: pertumbuh secara perlahan-lahan, warga menggunakan biaya dan konstruksi sendiri, serta penggunaan sarana dan layanan dasar bersama-sama, perkampungan kota dihuni mayoritas warga yang sudah tinggal secara turun-temurun dan menyediakan tempat tinggal sementara bagi pendatang baru. Akan tetapi, perkampungan-perkampungan baru di tengah kota hanya memberikan rasa aman yang terbatas, serta rentan terhadap bahaaya seperti longsor dan banjir. Bahkan perkampungan yang sudah lama ada di tengah kota juga tetap berisiko dihancurkan dan penduduknya dipindahkan, karena tanahnya dibeli pengembang dan perkampungan tersebut digusur untuk proyek pembangunan baru berskala lebih besar.

Terbatasnya akses pembiayaan perumahan dan tingginya harga tanah di daerah kota menyebabkan rumah tangga berpenghasilan

rendah sering terpinggirkan dan menjadi penghuni liar; atau, dalam skenario terbaik, membeli rumah di pinggiran perkotaan. Rumah tangga tersebut akhirnya mengeluarkan lebih banyak biaya untuk transportasi dan keperluan lainnya, dengan dampak negatif terhadap pembangunan tata ruang dan sosio-ekonomi kota-kota di Indonesia. Diperkirakan 12,2 persen penduduk perkotaan saat ini tinggal di kawasan kumuh.³ Banyak kawasan kumuh dan daerah hunian liar tidak diakui secara hukum, sehingga kurang mendapat layanan dasar serta menjadi zona kemiskinan dan terpinggir.

Akses ke perumahan dengan lokasi baik dan harga terjangkau terhambat oleh beberapa faktor. Di sisi permintaan, terbatasnya inklusi keuangan, rendahnya penghasilan, dan kecilnya tabungan rumah tangga membatasi akses ke sektor perumahan formal. Lebih dari 60 persen penduduk Indonesia tidak termasuk angkatan kerja formal, sehingga akses keuangan mereka terbatas.⁴ Sebagian dari mereka mungkin mampu mengambil pinjaman rumah, tetapi tidak punya riwayat kredit dan dinilai tidak bankable oleh perbankan komersial. Tidak seperti India atau Meksiko, sektor keuangan di Indonesia belum mengembangkan solusi manajemen risiko penjaminan dan kredit yang inovatif guna memberikan solusi perumahan bagi rumah tangga berpenghasilan rendah atau pekerja non-gaji. Akibatnya, hanya 20 persen rumah tangga terkaya dapat membeli langsung rumah di pasar komersial. Sementara itu, 40 persen rumah tangga menengah memerlukan subsidi untuk bisa mendapat pinjaman perumahan, dan 40 persen penduduk Indonesia termiskin tidak mampu memiliki unit rumah secara formal tanpa bantuan besar dari pemerintah.

Di sisi pasokan, kendala ketersediaan lahan, termasuk proses pengadaan tanah dan perizinan yang berbelit-belit, kendala keuangan di pihak pengembang, serta kenaikan harga

tanah dan biaya konstruksi telah membatasi pembangunan perumahan formal. Pengembang hanya memiliki sedikit insentif untuk membangun rumah murah, dan sebaliknya lebih suka memaksimalkan keuntungan yang didapatkan dari kelompok berpenghasilan tinggi ataupun investor.

Untuk mengatasi berbagai masalah tersebut, Pemerintah Indonesia telah mengembangkan sejumlah kebijakan dan lembaga guna mendukung program perumahan terjangkau. Ini termasuk serangkaian program pembangunan lingkungan warga, program sewa bagi masyarakat yang disubsidi sebagian besar atau sepenuhnya, subsidi di depan bagi perbaikan rumah bertahap, dan Fasilitas Likuiditas Pembiayaan Perumahan yang disubsidi pemerintah. Selain itu, sejumlah perusahaan milik negara, termasuk Perum Perumnas, diberi kepercayaan untuk memainkan peran aktif dalam meningkatkan pasokan dan akses ke perumahan yang harganya terjangkau. Sayangnya, upaya dan lembaga tersebut belum cukup efektif dalam meningkatkan hasil perumahan pada skala yang memadai, dan belanja pemerintah untuk perumahan tidak selalu merata atau efektif.

Beberapa pemerintah daerah telah merintis program yang berhasil pada tingkat lokal. Misalnya, skema pembiayaan mikro untuk perumahan di Palembang, dan program rumah sewa yang dikelola oleh Pemerintah DKI Jakarta. Akan tetapi prakarsa tersebut sering mengalami keterbatasan pendanaan yang berkelanjutan maupun dukungan politik untuk memperluas skala kegiatan tersebut. Surabaya, kota terbesar kedua di Indonesia, menawarkan solusi program perumahan perkotaan yang lebih baik dari kota-kota lain di Indonesia, tetapi kegiatan ini hanya memiliki belasan blok perumahan yang dikelola oleh kota dan diperuntukkan bagi 7,3 juta penduduk metropolitan dan sebagian besarnya berlokasi di pinggiran kota.

¹ Berdasarkan Sensus BPS terbaru dan data administratif MPWH seperti diungkap dalam http://www-wds.worldbank.org/external/default/WDSContentServer/WDS/EP/2015/07/09/090224062fe1ebf/3_0_0/Rendered/Index/IDN/IndonesiaAffordableHousingProgram.htm

² Ibid.

³ Ibid.

⁴ Ibid.



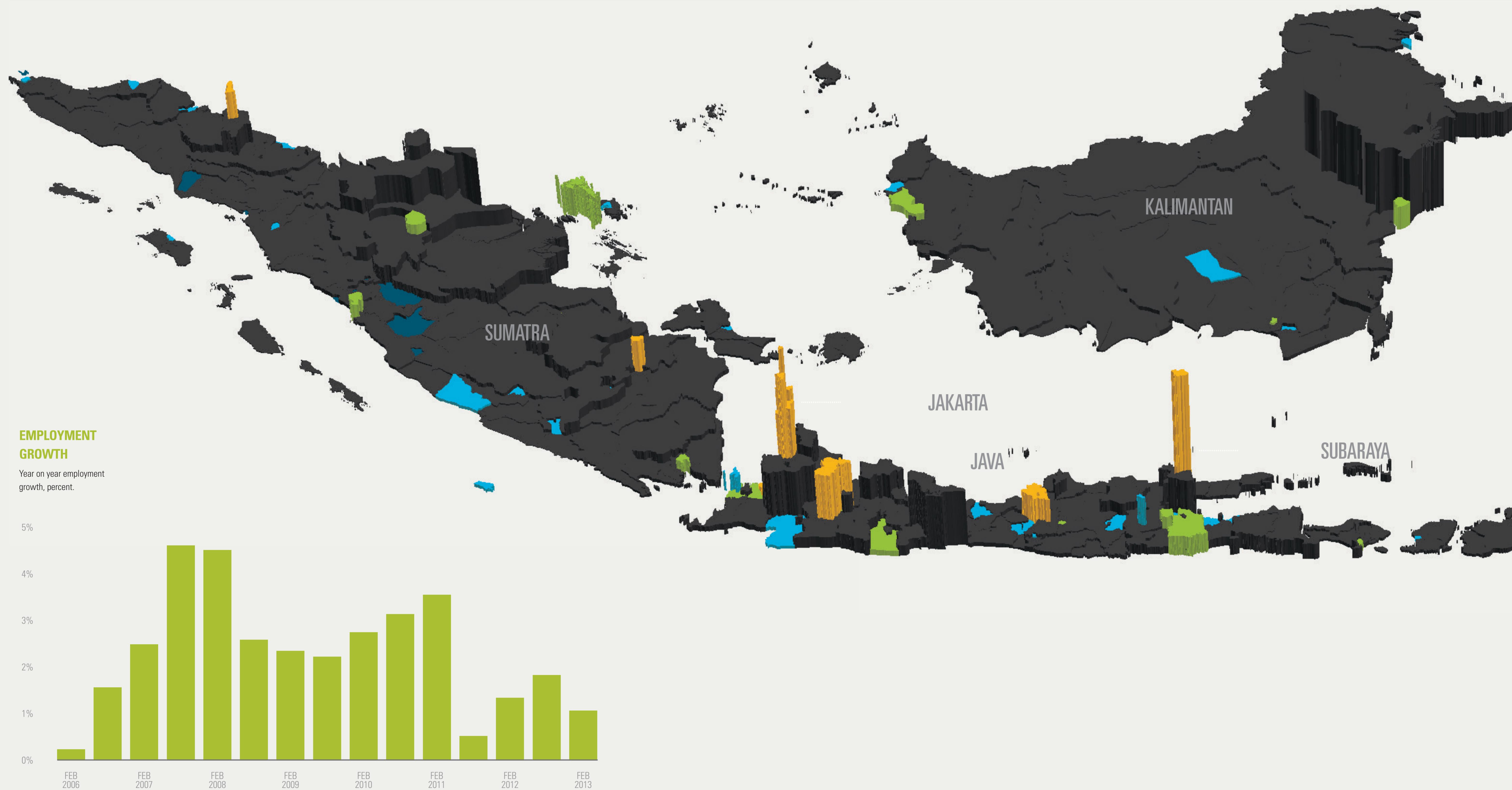
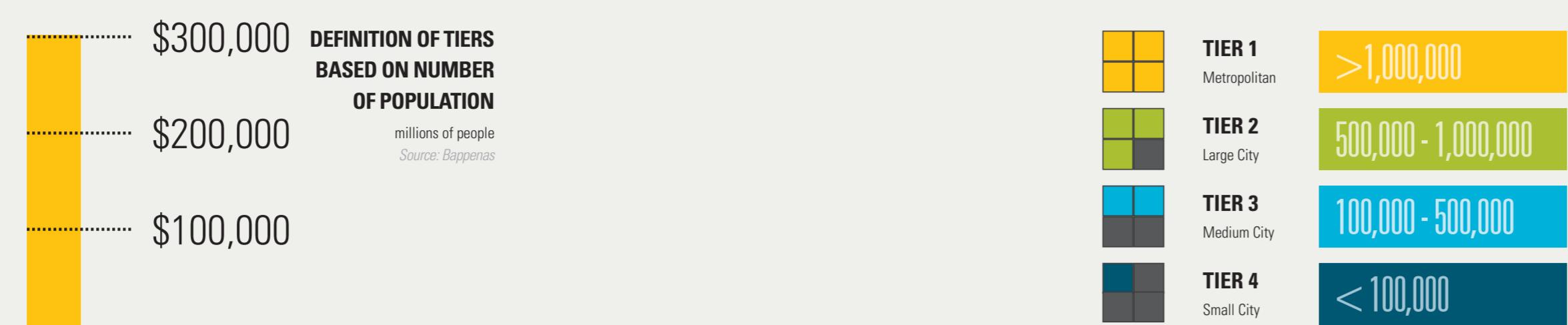
GDP CONCENTRATION

3D Extrusion for GDP (Indonesia), displaying Kota and Kabupaten.

Source

INDO-DAPOER, via BPS, the Indonesian National Statistics Agency.

GDP



Source: World Bank staff Calculations using the Sakernas data, World Bank 2013b: 34

Provincial and municipal public housing programs are likewise under-provisioned, with some cities lacking initiatives altogether, and even the best programs struggle to attain scale. Surabaya, the second largest city in the country, has only about a dozen municipal housing blocks for a metropolitan population of 7.9 million. These housing blocks are located primarily in the city's periphery.

Program perumahan oleh pemerintah provinsi dan kota sering kekurangan sumber daya dimana beberapa kota sama sekali tidak memiliki program serupa. Beberapa program terbaik sekalipun mengalami kesulitan untuk dapat mencapai skala lebih besar. Surabaya, kota terbesar kedua di Indonesia, hanya memiliki belasan blok perumahan perkotaan yang dikelola oleh Pemerintah Kota diantara 7,9 juta penduduk yang ada. Blok perumahan ini kebanyakan berlokasi di pinggiran kota.





CITIES CONCENTRATE GDP, BUT NATURAL RESOURCES ALSO CONTRIBUTE A LOT TO GDP IN RURAL AREAS

Agriculture and natural resources contribute a significant share of Indonesia's GDP, particularly in rural areas. As Indonesia urbanizes and develops further, the share of these sectors can be expected to decline. Larger cities in general are more economically productive and competitive than smaller cities and rural areas. Large cities create opportunities for the establishment of localization economies through the clustering of related activities, while

urbanization economies may emerge in dense urban areas where the transaction costs of doing business are lower and opportunities for knowledge spillover are high. Businesses within such economies tend to be more economically productive, as demonstrated by a faster rate of economic growth than in smaller cities and rural areas (World Bank 2012: ix-x).

More recently built kampungs are often situated on rights-of-way of railroads or riversides, where land is owned by the state and the hazard of eviction less looming than on private land.

Perkampungan baru sering tumbuh di pinggiran rel kereta atau bantaran sungai, yang tanahnya dimiliki negara dan kemungkinan digusur lebih kecil daripada di tanah pribadi.



JOB CREATION HAS BEEN STRONGER IN URBAN AREAS

Job creation has been stronger in urban areas, where employment grew by 45 percent since 2001 against 6 percent growth seen in rural areas. Urban employment growth has gradually outpaced rural areas' over the last decade, and since

2008 jobs in urban areas have been growing faster than the working age population. Also, urbanization has been importantly associated with the rise in formality, with 72 percent of jobs created in urban areas being formal (World Bank 2013b: 34).

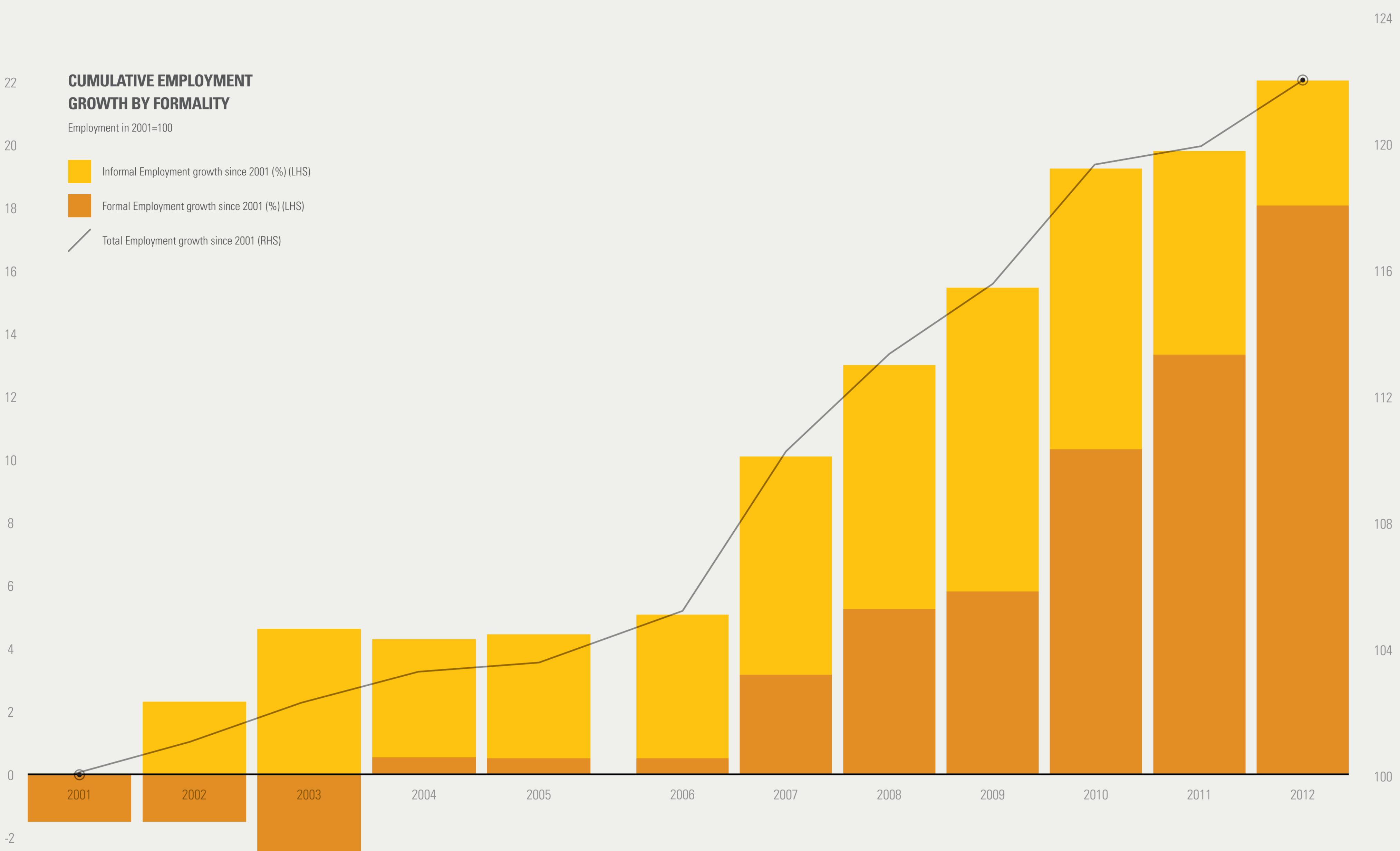
CUMULATIVE EMPLOYMENT GROWTH BY FORMALITY

Employment in 2001=100

■ Informal Employment growth since 2001 (%) (LHS)

■ Formal Employment growth since 2001 (%) (LHS)

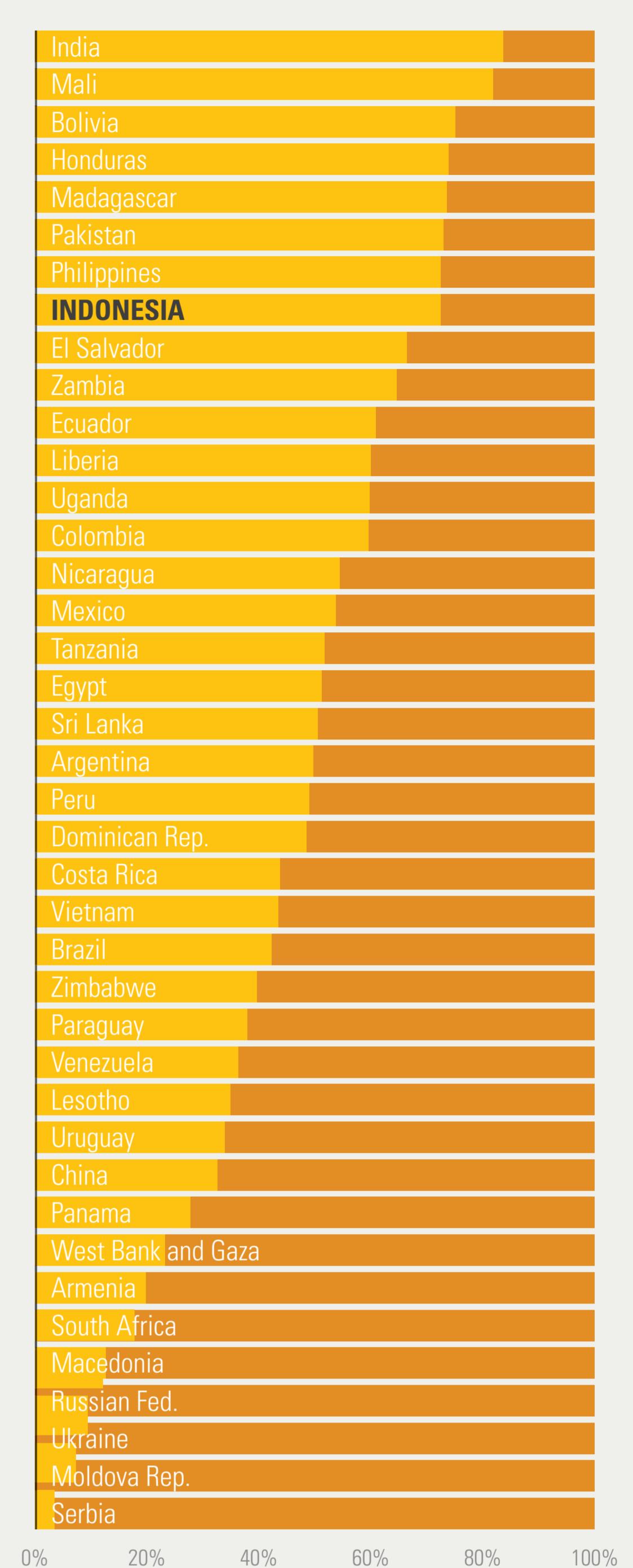
— Total Employment growth since 2001 (RHS)



PERCENT OF EMPLOYMENT THAT IS INFORMAL, SELECTED COUNTRIES

Source: LaborSTA, International Labor Organization, Department of Statistics

72.5%
OF EMPLOYMENT
IN INDONESIA
IN THE INFORMAL SECTOR



Source: World Bank staff calculations using Sakernas, World Bank 2013b:34

Religion forms a big part of daily life, with a great deal of community relations structured around mosques. The latter vary from grandiosus architectur, as seen here in Medan, to small gathering spaces inside make-shift kampung houses.

Agama menjadi bagian penting dari kehidupan sehari-hari, sehingga berbagai kegiatan masyarakat terstruktur di seputar masjid. Bentuk masjid beragam, mulai dari yang arsitekturnya megah, seperti yang terlihat di sini di Medan, hingga ruang berkumpul kecil di dalam salah satu rumah perkampungan.

