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Environmental Governance

The Landless and The City

Possible Directions for Sustainable Cities in Developing Nations

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Introduction

The urban community in developing countries are affected by unprecedented changes in the 21st century. Globalization, recentralization and mercantilism in the wake of Covid-19 have altered infrastructure provision in developing cities. Financing infrastructure for increased sustainability have placed enormous strain on national and local governments as loans have been the primary drivers for infrastructure provision. Adequate infrastructure is key to economic inclusion and political integration. Public Private Partnerships (PPP) for infrastructure provision have succeeded in politically conducive environment marked by good governance and competitiveness. Public service obligations are internalized into the predominantly corporate approach in PPP through life-cycle management and competitive pricing. Nonetheless, empowerment of local

communities and their engagements with the private sector remain central to the sustainable development of cities. The public-private-community triad is mandatory, enhanced by the presence of competent leaders as drivers and game changers. This book is intended to foster dialogues among stakeholders as well as to engage and inspire leaders in promoting the sustainable and inclusive cities.

Happy reading.
Jakarta, October 2022

Astrid Meliasari-Sugiana

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CHAPTER

I

Background and the Urban Poor in Indonesia

1.1 Introduction

The concept of sustainable city has long been on the forefront of both the national and local government's agenda, with various multidisciplinary approaches on a multilateral scale encapsulated within policies and programs such as Millennium Development Goals, Sustainable Development Goals and Renewable Cities. The top-down approach involves policy making at the executive level, usually with approval from the national and local House of Representatives for funding disbursement and the citizen's stamp of approval. The top-down approach engenders a deconcentrated and/or decentralized form of governance whereby sub-national government departments and agencies are endowed the function to implement sustainable city programs, whereas monitoring and evaluation are done in conjunction

with the national government and a number of parties such as donors, NGOs and universities. The bottom-up method engenders a periphery-centered approach whereby civil society, NGOs, community groups and various organizations such as political parties, interest groups and advocates are at the center and forefront of the movement. Top-down government programs are more institutionally and legally enforced, as well as being project oriented with clear mandates, goals, funding and politically acceptable templates and discourse relevant to the needs and interests of those in power within the national and sub-national level. Bottom-up methods are more fragmented and resemble that of social and advocacy movements which converge and disband across time but may or may not have a core organization as their drivers. Those which are supported by influential NGOs and are multilaterally intertwined through continuous media coverage and lobbying efforts by lobbyists and political parties endure and can have revolutionary implications which stimulate social and environmental change across time and space. The presence of international NGOs such as WWF and Greenpeace, along with consistent grassroot movements, have transported private issues and agendas such as environmental protection for the poor in highly sensitive urban areas, into the public sphere and are forced to be taken into account by both officials and politicians alike. The urban landscape in developing nations is exerted by both top-down and bottom-up initiatives in its sustainable governance, both complementary and contradictory at different times, with priorities as disparage as the city's multicultural traits themselves. The cities in developing nations have undergone a

number of transitions in its land-use and land governance, and therefore implicating its environmental governance in myriad ways which continue to change, develop and adapt to the various competing interests and needs which surface overtime. In pre-modern times, the cities in developing nations, mostly agrarian, are relatively small in size and can accommodate several thousand individuals with trade limited to neighboring communities. During periods of industrialization and manufacturing, the cities in developing nations are captured by land-commodification issues, whereby city land and city resources are perceived as commodities for intensive industrial production processes, with little consideration for ecological sustainability and labor protection for the myriad number of factory workers who squat in highly sensitive and dangerous urban areas, leading to further urban environmental degradation. During periods of global capitalism, international trade and privatization, cities in developing nations, in terms of its land use pattern and governance, are captured by land-commercialization issues whereby private-tradable rights are attached to vast areas of the city landscape, leading to their commercialization and trade by and for the private elites albeit being done on the grounds of 'global economic integration', 'national economic development' and 'citizen's welfare protection'. The urgency for protecting the urban landscape through social sensibilities and ecological considerations came about as a result of the political dissonance which emerge in the light of acute inequalities due to urban environmental degradation. Economic disparities within city landscapes in developing nations are marked by economic stratifications, with the working class

in the informal sector occupying the bottom-most rung and usually living in dangerously eco-sensitive areas prone to regular flooding, landslides and diseases. The middle class comprises of the professionals and the bankable office workers and/or MSME owners usually living in the urban fringe areas while commuting to work in the city via public transports and occasionally private vehicles. It is mainly because of the middle class and their consumption patterns which provide the lower-income groups with opportunities for formal and informal work, and opportunities for entrepreneurship in the city. Incorporation of the lower-income group into mainstream social-economic life is done through their gradual acquisition of the city's resources, including acquisition of land-use and infrastructure, health and human services, digital platforms, government-initiated entrepreneurial opportunities and the heterogeneous market base which the city has to offer. The city's upper class in developing nations is marked by groups with multiple forms of capital which are closely linked, hence they easily forge alliances with one another for the purpose of political unification albeit their overly-conscious stance on issues such as labor protection, land reform, tax reform and government-backed big businesses. These groups exert tremendous and multiple influence on the city-scape, and when united, they create and transform the discourse for land governance in the city which can be beneficial to some and detrimental to many others. The city scape is much more heterogeneous than its rural counterpart, hence social stratification in the city is much more disparaging and manifolds, forming networks of collaboration and competition which can encourage either adverse or

mutually beneficial incorporation of lower-income groups. Developed nations with cities of more heterogeneous population and cleaner governments have embarked on concepts such as 'inclusive cities', 'renewable cities' and 'integrated cities', all of which require land reform, sound institutional establishments, legal enforcements and hefty infrastructural spending upfront. Not to mention the need for a democratic government in which the civil society, media and political parties play active roles in voicing social and environmental concerns and in upscaling and incorporating pertinent social and environmental needs into political agendas. The success of the developed nations in reorganizing and rebranding their cities for increased participation in social and environmental transformation lies in its comprehensive, integrated and long-term public-private partnership approach which cuts across (short) political tenures, project-oriented city revitalization programs, patronage and tokenism. These partnerships open up new opportunities and commitments for experimentations, knowledge sharing, co-learning and collaborative risk management. Within these new partnership purviews, innovations proliferate, possibilities emerge and commitments endure.

1.2 Cities in Developing Nations: The Conundrum of Jakarta

Cities in developing nations grew out of necessities as opposed to being comprehensively planned and complexly integrated. Large Indonesian cities such Jakarta, Surabaya, Medan and Makassar are originally designed by the Dutch

and with time grew disproportionately in terms of its ecological carrying capacity, land resources and infrastructure facilities. The sprawling of urban agglomerations such as Jakarta with its myriad suburbs and satellite cities are largely unplanned, fragmented and emerged either out of ad-hoc grassroot community initiatives or out of random speculative pursuits which cater to the interests of investors and developers. Road networks, drainage canals, wastewater channels and solid waste disposal infrastructure are rarely planned, designed and adopted, whereas buildings are constructed prior to and prioritized over the construction of road networks, public transport systems, drainage canals, wastewater channels and solid waste disposal infrastructure. Land use in cities such as Jakarta, Indonesia must adhere to the *Rencana Tata Ruang/Rencana Wilayah* or Municipal Spatial Plans governed under the nationally administered Badan Pertanahan Nasional or the National Land Agency. Nonetheless, provincial and municipal governments are given authorities to privatize, transform, lease and trade land-use and land-ownership rights in today's regional autonomy era. Cities such as Jakarta adopt the concentric circle pattern of development, whereby central business districts and government offices being the core are encircled by apartment complex and high-end residential housing. The peripheries are marked by industrial estates mixed with middle-class residential housing and urban villages or *Kampungs*. Jakarta's suburban cities such as Tangerang, Bekasi, Depok and Bogor are dominated by middle-class residential housing with commercial areas in the center and industrial estates and MSMEs in their peripheries. Legally certified urban villages (*Kampungs*) are found

mixed with middle-class residential areas, whereas illegal, low-income settlements can be found within environmentally-prone and government-owned areas of the cities such as along railroad tracks, along riverbanks and under the bridges. MRT and buses connect points within the cities, whereas commuter electric trains connect Jakarta to its suburban vicinities. Competing interests impinge city land-use, whereas multiple management regimes prevail when governing cityscape. Multiple management regime is whereby a piece of land or an infrastructure or a natural resource within the city is publicly owned, privately managed and commonly driven simultaneously. An example of this involves surface (river) water, indigenous land-rights/land titles and public sidewalks whereby hawkers (illegally) use the locations to sell their goods and services while leasing them to third parties whereas the land itself is owned by the government. Jakarta's population in 2020 amounted to 10,562,008, whereas its growth rate is 0,92% annually and its population density is 15,907/km2. Jakarta's extreme congestion and pollution has led to numerous environmental management programs such as the *Prokasih* Clean River Program, the 2019 Jakarta Urban Regeneration Program addressing the city's sinking problems and environmental malpractices, and the Jakarta Sustainable City Program which sees for a reduction in congestion, pollution and health risks. According the National Geographic, out of 50 major world cities, Jakarta is ranked as number 46th in terms of its environmental sustainability. In order to reduce congestion, a number of initiatives have been forwarded, implemented and even denounced. One rather improbable alternative is to move the capital of the country (Jakarta) to

the Island of Kalimantan in Indonesia. This is highly improbable since the cost of doing so is ever so great that the government would go bankrupt in the next 15 years if this was to be done. Another alternative is to stimulate growth and population migration to other parts of Jakarta's surrounding vicinities which are still relatively rural and unsettled. Cases suggest that the success of the above rests on: (i) the presence of market and purchasing power of the local citizens to stimulate demand, consumerism and production, usually from the presence of the growing middle class within the vicinity, (ii) the presence of infrastructure which connects various stakeholders and incorporate them into the production and value-chain processes, (iii) the presence of trade activities and trade infrastructure which stimulate trade and local economic development, (iv) land reform which provides a majority of the population in the areas with access to land-use, infrastructure, public goods and natural resources endemic to the region, and (v) government induced private investments, public-private partnerships, entrepreneurial activities and health and human services which enable the growth of self-sustaining service-driven economy. Cities in developing nations, not excluding Jakarta, are beset by complex, multifaceted issues. Social issues include the presence of a poor majority, acute inequality, poverty trap, minimal health and human services, and social delinquencies such as crime, prostitution and substance abuse. Political issues include political antagonisms coming from different pockets of the urban landscape, temporal political disintegration due to ethnic and class politics, and political upheavals in the absence of sound, democratic governance. Infrastructural is-

sues include limited and dilapidated infrastructure, lack of funding, lack of public-private partnerships, lack of investors, corrupt managing institutions, access inequality, and lack of market-driven infrastructure construction and management. Environmental issues include neglect of public and common pool goods, floods, solid waste, wastewater, sinking cities, air and soil pollution, congestion, diseases and lack of political will and citizens' participation to initiate a more sustainable landscape. Economic issues include lack of capital, lack of entrepreneurial growth, lack of production, manufacturing and trade, lack of local economic growth and lack of mutual engagement among the different classes for benign incorporation of the middle and lower class into the production-consumption chain. The conundrum to instilling sound urban environmental governance lies in the perspective that environmental and ecological imperatives are contrary to social and economic imperatives. This assumption fuels debates such as top-down technocratic versus bottom-up advocative governance, locally-engineered versus nationally-templated interventions and (gender, class and ethnic) mainstreaming versus 'objective' and 'politically neutral' approaches. The purview of knowledge construction, management and disposition in policy interventions require going beyond such dichotomies and into complexities, sensitivities and the contingencies of competition and collaboration within individualized settings. Nonetheless, purveyors of urban environmental management initiatives are always seeking ways to scale-up and reverberate success stories across time and space with both intended and unintended consequences abound. Voluntary and involuntary segregation in cities with-

in developing countries are eminent, with gated communities evident in the upper-middle and upper-class communities. Although upward social mobility is much more prevalent and easier to achieve in urban areas compared to its rural counterpart, the constricted and limited proliferation of talent and capital across the social classes within cities in developing nations can lead to social and economic stagnancy, as well as curtailing social and ecological sensibilities. We believe that democracy and social inclusion go hand in hand, and that building ecological responsibilities require social sensibilities. Democracy, voluntary participation and good governance with separation of powers and checks and balances remain key in fostering social sensibilities and ecological responsibilities. The proliferation of capital, be it social, economic, psychological, legal or institutional capital, lie on the precarious balance between recentralization and devolution, as well as on grass-root social movements and government interventions. This precarious balance is also what is required for policy consistency and continuity, as well as for instilling benign changes and innovations, be it intentional or otherwise. We also believe that instilling democratic environmental governance within city settings require a third space for discourse negotiation, power sharing and community sovereignty without fear that they be captured by local, national or global 'imperatives' driven by market commodification and commercialization.

1.3 Land Use, Land Commercialization and Urban Development

A sovereign nation may lose its sovereignty and driven to privatize its city-scape and land resources in the face of relentless global integration pressure from abroad and within. As well, a sovereign nation may end up in stagflation and lose its consistent economic growth indicators as a result of protectionism and mercantilist policies. The city landscape, whose growth is dependent on both foreign and domestic investments, is very much influenced by a country's foreign and domestic policies and markets. Sixty five percent of the money circulating in Indonesia is currently circulating solely within the Jakarta Greater Area. Hence, cities in developing nations play pivotal roles in attracting and retaining investments, in distributing financial resources, and in allocating government funds through both market mechanisms and government expenditure measures. Urban policies for cities such as Jakarta are very much influenced by the country's domestic and foreign policy making processes, not to mention foreign investors' interests in turning cities in developing countries into hubs for production and trade. Nonetheless, data suggests that private and multinational corporate investments are mostly from the northern hemisphere to the northern hemisphere as opposed to from the north to the southern hemisphere. This is partly because cities in developing countries lack the infrastructure, market, technology and manpower for foreign investments. As well, Indonesian cities, similar to other cities in developing nations such as Thailand, Philippines and Brazil, are severely

limited in their capacity as a hub for foreign markets. Hence, production and manufacturing of goods in cities such as Jakarta, Surabaya and Medan are solely for the Indonesian domestic market. As well, volatile currency exchange rates, weak regulatory enforcements and corrupt institutions deter Foreign Direct Investments. Indonesia's Foreign Direct Investment (FDI), in terms of amount, falls after Singapore, Malaysia, Vietnam and Thailand. FDIs are particularly important for the provisioning of urban infrastructure, production line, manufacturing and technology and knowledge transfer to enable the urban economy of big cities which in turn fuel the economy of rural areas.

In Indonesia, in the 1980s the government helped establish private banks and financial institutions, which altered traditional money markets used by small private customers. The establishments of foreign and private banks integrate the country into the global financial market, diversify the banks' deposit and loan portfolios, and provide customers with a wide range of services made affordable through ATMs and debit and credit cards (Hamilton-Hart, 2019). The state is instrumental in setting and shaping investment and financial policies. Indonesia's current protectionist policy in the financial and investment sector is used to displace foreign share of its consumer market, as well as enhance the competitiveness of its locally produced goods and services. Prior to the Asian Financial Crisis (AFC) in 1997, Indonesia had too many banks to be monitored effectively by Bank Indonesia. Coupled with a lack of regulatory enforcement measure, banks avoid regulatory lending limits for foreign currency loans (Hamilton-Hart,

2019). Foreign currency loans were not sufficiently hedged and provision levels were not sufficient to cover problem loans (Hamilton-Hart, 2019). The market downturn during the AFC led to the demise of many small and medium banks, leading to their closure, mergers and takeovers. Current competition between conventional banks and e-commerce/ fintech corporations led to gaps in the adoption of digital technology despite Bank Indonesia's mandate to speed up e-money facilities through integration, protection and legal stipulations. In 2011 the Government of Indonesia (GOI) established the Financial Services Authority (OJK) to replace Bank Indonesia's role in monitoring banks and their subsidiary insurance and security companies. Previously, Bank Indonesia monitored the banks whereas the Finance Ministry monitored non-banking financial institutions. The OJK focuses its work to lead financial institutions in embedding board independence, checks and balances, transparency and accountability. The *Lembaga Pengelola Investasi* (LPI) or the Indonesia Investment Authority, headed by the Minister of Finance, was established in 2021 to plan, monitor, control and evaluate foreign and domestic investments. Their job is also to identify potentially dangerous forms of investments in relations to those relatively safe ones. Some investment funds are long-term and stable, others are short-term and volatile. Some go to purchase productive assets and some to make portfolio investments in company stocks, while others are simply speculative. Short term speculative funds often rush in and out, creating a boom, a crisis, and the need for IMF assistance. If not careful, with capital mobility came

financial instability, speculations, and the possibility of a devastating collapse. The Asian Financial Crisis was created by a combination of market imperfections and state policy measures (business-government relations which encouraged financial abuse), as well as lack of state interventions (lack of effective regulations and comprehensive social safety nets). A smaller government role and a less regulated market may not necessarily lead to better governance of financial and investment institutions in urban areas if it sacrifices good governance and social welfare and does not advance urban development objectives. On the other hand, elaborate government strategies alone do not guarantee successful development of states, cities and societies either. The devil is in the details.

FDI in Indonesia is beneficial for both the Indonesian economy and workers. The economy benefitted since foreign firms have higher labor productivity, higher total factor productivity and higher productivity growth rates than Indonesian firms. Foreign firms are also better exporters due to their prior integration into the global market, enhancing Indonesia's trade balance. For Indonesian workers, foreign firms pay higher wages than local counterparts, even after education and other extraneous variables are accounted for. Corruption, contract enforcement, business licensing and cross-border trade issues are the main obstacles in attracting FDI to the country. Globally, Indonesia ranks 139th for contract enforcement, far below FDI competitor Vietnam (61st). Cumbersome business licensing procedures demotivate potential investors, whereas changes in the country's political regime often

leads to contract enforcement issues, causing business uncertainties, unforeseen risks and revenue loss for multi-decade investments. As well, the import process is both bureaucratic, costly and time consuming, leading to high marginal costs. In addition, the country's limited and inefficient export processes make it difficult to use Indonesia as a hub for international market, hence most FDI in Indonesia is for the Indonesian market. This severely limits foreign investments in Indonesia. As well, advancing a country's investment and financial institutions require a conducive legal and institutional framework. Indonesia's Omnibus Law recentralized investment procedures and monitoring mechanisms to the national government level. By simplifying the underlying legislation through Omnibus Law, the Central Government hopes to streamline contract enforcement, and avoid uncertainties and corruption at the sub-national level. Indonesia's post-decentralized corruption is arbitrary and unpredictable in nature. If corruption is to exist under the Omnibus Law's central tendency, at least it is centralized in nature, hence making it more predictable. Indonesia's complexity in governing its investment and financial institutions is marked by challenges, especially in relation to its decentralized governance legislations or UU Otonomi Daerah (legal system), its democracy (political system), its plural society (social system), and the integrity of its institutions (cultural). As well, Indonesia has a disproportionately large number of small-home industries (cooperatives) along with its predominant manufacturing sector and rudimentary technological base.

In lieu of international trade signatories, global financial market integration, and speculative land development inclinations, land use and public resources in urban areas are increasingly privatized, traded and commercialized for revenue generation and public financing purposes. These have great implications on political agendas and the proposed direction in urban development. Planning for the public domains entail incorporating a nation's global political strategies, which can undermine domestic and municipal needs in exchange for global and regional power base. An example of this involves the collaboration between the Government of Indonesia (GOI) with China in order to build the speed train from Jakarta to West Java's Capital, Bandung, and the collaboration between the GOI and the Japanese government to build Jakarta's Mass Rapid Transit. Sustainable city programs are often modeled after European cities, mostly those of Dutch origin, with the GOI working closely with the Dutch government for technology, knowledge and manpower transfer. As well, Jakarta's land use pattern is governed by monopolistic rights and concessions by the elites, whereby these elites simultaneously compete and collaborate to lobby and exert influence for their collective benefits and well-being. These elites comprise of oligarchs, landlords, land speculates, developers and high-ranking government and military officials. They provide utilities such as public housing for the middle-income group, affordable apartment complex, malls, entertainment complex, trade centers and market facilities. These elite monopolists maximize profit by producing to the point where marginal costs equal

marginal revenue rather than price. This means lower output, higher price and higher profit under both individual and class monopoly. The rich have plenty of economic choices, hence can easily escape the consequences of monopoly, whereas the poor are severely limited in their choices. The rich can command space whereas the poor are trapped in it. The commercialization of space, the institution of private property and tradable rights, as well as the market driven character of urban development and construction trends in third world cities have led to a burgeoning responsibility on behalf of local governments in shouldering excess and externalities unaccounted for through the market mechanisms. These include building infrastructure for wastewater, storm water and solid waste disposal; constructing roads, bridges, dams, public hospitals and schools; and providing health and human services to the most underprivileged through programs such as BPJS Kesehatan health insurance, Jamsostek work insurance and Taspen Pension fund. Land provisioning for the lower-middle class and the lower class also falls within the purview of the local government, whose revenue raising capacity and initiatives are poor compared to national government institutions. Although public spending for infrastructure, social reforms and health and human services have increased tremendously, Indonesia's national fiscal space is severely limited. Public private partnership in the provisioning of the above becomes inevitable and requires a market driven approach to public works construction and management. The question we need to address then becomes: can governance regimes under the auspices of

urban commercialization generate space for social and ecological sensibilities?

1.4 Characteristics of Indonesia's Urban Poor

As a developing country with a population of 250 million, Indonesia is experiencing urbanization at an unprecedented rate. Indonesia's population grows at a rate of 1.04% per annum, with a total projected population of 290 million in 2045. The country's urban areas are experiencing environmental pressures well beyond their carrying capacity. Roughly 60% of Indonesia's population lives in cities. The total estimated number living in the country's capital, Jakarta, reaches 28.019.545, with a density of 45.000 inhabitants per square kilometer. A lowland coastal city in the northern part of Java, Jakarta, similar to other Indonesian cities, faces a number of environmental issues related to urban sprawls and squatters, seasonal flooding, solid waste disposal, groundwater pollution and freshwater shortages. Population density, disparity and the adoption of market mechanisms in land use planning and allocation have contributed to inequality in Indonesia's land use pattern and forced a majority of the city's poor to live as squatters in state owned, hazardous sites near railroad tracks, around waste disposal sites and along the cities' polluted river banks. Indonesia's urban poor lacks integration into the labor market, has low purchasing power, and possesses limited access to land and key urban infrastructure facilities such as water supply and sanitation measures. A common practice among Indonesia's low-income urban community includes

converting river banks into land for housing and diverting the flow of the river for aquaculture purposes. This leads to sedimentation, shallow river basin, a change in the course of the river and flooding. Social and environmental issues which arose in Jakarta also emerged in other Indonesian cities, leading to the deterioration of urban areas and their lack of sustainable and socially inclusive governance.

1.5 Social Stratification in Indonesia's Urban Areas

The Kampungs or slums where the urban poor live is surrounded by diverse social components, including the urban elites, the commercial and industrial elites, the middle class, the low income but well-established households, the low-income renters and the low-income migrants with no previous claim on the land or housing system. These urban elites include persons of wealth or political power who have been quick to recognize that urban land speculation and development is a historical opportunity to acquire immense wealth. These are people involved in urban development such as land owners, land developers, financiers of development, contractors/builders and marketers of final products. Closely connected through politics, economic interests and marriage to the previous elites, there are the owners and managers of major commercial and industrial enterprises (including MNCs) and they particularly have two substantial interests in land tenure issues and in housing for the urban poor. Firstly, they must themselves fight for access to prime sites for their commercial and industrial

activities, and secondly, they have a major concern that the cities in which they operate have large pools of workers willing to work for low wages and that they can displace the responsibility to provide housing for their workers to the government and the civil society at large at the expense of the urban environment and the urban fringe areas. In Indonesia this elite has not provided support for active and progressive land policies for the poor despite the government's clamoring them for support to provide housing for the poor in ways which will relieve industry of direct responsibility for housing its labor or from the pressure for higher wages. The middle class is comprised of people who have struggled to achieve some measure of economic security that is often based on land and house ownership – frequently their largest single investment and anchor against possible future economic uncertainties. They have known the insecurity of poverty and have strong feelings about losing the gains they have made. They frequently oppose new squatters and have climbed the slippery ladder to economic security, hence often opposing government effort to help the newly arrived poor in ways which would appear to impinge them.

One of the familiar characteristics of urbanization in Indonesia, especially in Kampung slums, is the lower-income or working-class districts that are highly diverse and heterogeneous. Upwardly mobile families from this group may find that other investments, in their children's education or in a business, may be more rewarding than investment in better housing. Moreover, land and housing programs which draw low-income households from their

present settings may destroy delicate and complex but highly important support systems from the neighborhoods which these house-holds abandon. In Kampung slum areas, low-income renters fall into two groups, namely strangers who rent on a market basis and paying relatives, whose economic contribution is tempered by obligations of blood or marriage. These people can be easily injured by well-intentioned but carelessly designed programs that fail to take them into account although they usually are not politically significant. The last category is the low-income migrants with no previous claim on the land and housing system. This category is the most vulnerable to the unintended consequences of urban revitalization and urban housing policies and programs. Indonesia's urban revitalization program focuses on local citizens and emphasizes the need for an alternative development which emphasizes the roles of individuals, households and communities across various social components. These social components impart different forms of power capable of contingently restructuring the social and natural landscape.

CHAPTER

II

The Social and Psychological Characteristics of the Urban Poor

2.1 The Social and Psychological Characteristics of Indonesia's Urban Poor: The Case of the Code Riverbank in Yogyakarta

Indonesia's slum riverbank community is made up of landless immigrants from rural areas outside the city. Immigrants are predominantly from relatively poorer areas in the surrounding areas. Indonesia's riverbank communities are involved in the city's informal economy comprising of the informal service sector and sadly, the underground crime network of beggars, prostitutes, gamblers, pickpockets and robbers. During the 1970s and into the early 1980s, the Code riverbank community in Yogyakarta was socially marginalized, economically deprived, culturally stigmatized and politically exploited. Poor and landless immigrants squatted along the riverbank by the

hundreds in make-shift housing, creating an unhealthy and dangerous environment ravaged by water-borne and filarial diseases, as well as natural and man-made disasters such as torrential rain, seasonal flooding and landslides. The deprived social, cultural and economic standings of the riverbank community prevent them from acquiring protection, aid and land use rights from the government, whereas high unemployment rate, the prevalence of the underground counterculture and lack of soundly governed institutions for education, health and human services and poverty alleviation within the community further led to their subjugation and deprivation. In addition, slum residents, including those living in Code, often display behavior commonly referred to as 'slum culture' marked by deviant behavior, by apathy towards government authority, the middle class and the outside communities, and by social isolation. The riverbank community is also marked with a lifestyle of intense consumerism, gambling and unpredictability due to the uncertainty of jobs and incomes. Hence, private savings is almost always absent and the presence of lenders lending shark loans with very high interest rates and unfair installment schemes further deprive the riverbank community. The formal banking system is unattainable for the riverbank community members, and the lack of community savings and loans schemes for local economic development leads to dependence on shark loan lenders for everyday living and for opening small businesses such as shops and food stalls for the local community. Moreover, community members are in constant danger of eviction, and threats of violence from within and outside

the riverbank are a constant menace. Community members look to the roles of elders and community leaders to liaise with government officials to secure their land. Moreover, they also look to the roles of local 'gangsters' to protect them from outside 'gangsters' who may come to raid them and take their land and possessions. In the case of the Code riverbank in Yogyakarta, prior to Father Mangunwijaya's involvement, mobilizing community members to participate in housing revitalization and slum renewal programs was an arduous and challenging task, and often extension workers had to face hostility and threats of passive and active resistance from both leaders and community members alike. With this in mind, Father Mangunwijaya and his team entered the Code riverbank with three intertwining strategies of advocacy, diplomacy and empowerment. This three-fold strategy provides the foundation for building solidarity, commitment and sustained motivation for Father Mangunwijaya's later projects involving housing revitalization and slum renewal. The success of Code's slum revitalization programs hinges on social, psychological and economic empowerment of community members through advocacy, diplomacy and integration.

2.2 The Urban Poor as Political Commodity and Economic Consumer

In Indonesian cities, the control over land and housing for the urban poor is a political issue, and the pursuit of legal tenure requires a deep understanding of dynamic political conditions and available strategic options. The demand

for land tenure for the urban poor is difficult to pursue in practice. The pursuit of land tenure for Indonesia's urban poor is not restricted to a particular ideology: it is pursued by politicians of all persuasions, if it appears to be in their interest to do so. When political conditions are right, land tenure and its legalization can be introduced. When political conditions are not favorable, as in cases where land-owning groups demanding capital intensive construction wield considerable influence and the ruling elite cannot afford to alienate them in exchange for the support of the urban masses, land tenure legislation is not likely to be introduced. By advocating land tenure security for the poor, political elites strike in favor of the masses. In the case of Jakarta, this was done by Governor Purnama's successor (Anies Baswedan) in the beginning of his administration to win support from Jakarta's poor in Kampung Pulo, but failed to take off and endure due to lack of sustained political will from Baswedan's government and other groups, including Kampung Pulo's residents who preferred the casual nature of informal and illegal settlements and investor groups who lobbied the government to secure their access to land, its legislation, its legal framework and its permit and taxation system. Jakarta's politicians are well aware that siding with the masses has serious political liabilities. It invites oppositions from the landlords and urban and commercial/industrial elites. Mr. Purnama's successor is not only aware of this but also aware that land tenure program encourages the masses to go beyond land issues and into more broad-based social issues which the ruling elite may not be able to handle. Moreover, Jakarta, a city and also

the nation's capital, is heavily influenced by the politics of the nation and vice versa. Jakarta's urban poor became a political commodity and a political consumer whose votes, economic alliance and political assonance were crucial for regional and national politicians vying for local and state power. The urgency of voluntary cooperation to protect the urban environment and low-income housing facilities is contingent upon individual constructions, competing timelines and complex social landscapes. Community groups are social agents who influence and are influenced by their surrounding community of social practice. Customs and sentiments also play a role in shaping group dynamics, thus opening the possibility for collective action and social cohesion within contrasts and struggles in urban and slum revitalizations. To achieve the socially responsible culture, Friedmann (1992) and Schon (1987) noted that a heightened learning capacity from empowered user communities is essential. Empowerment entails awareness and mobilization for enhancing the basis of social, political and economic power (Friedmann 1992). According to Friedmann (1992), coupled with these power bases and a heightened learning capacity for protecting them, an individual's potential for promoting the socially responsible culture cannot be undermined. Agrawal (2008: viii) noted the emergence of environmental subjects, i.e. "people who have come to think and act in new ways in relation to the environment". According to Agrawal (2008: 219), "the environment constitutes for them a conceptual category organizing some of their thinking; it is also a domain in conscious relation to which they perform some of their actions". The significance

of Agrawal's (2008: 270) concept lies in its ability to explain the shift from negligence to active membership, "state to community" and "bureaucracy to democracy". It is within the above contexts that enduring participation in revitalizations, inclusive urban governance and sustainable development can be achieved.

2.3 The Urban Poor as Active Citizens nd Agents of Social and Economic Transformations: The Case of Yogyakarta's Code Riverbank Community

Prior to Father Mangunwijaya's involvement in the late 1970s, extension officers from the provincial government of Yogyakarta had attempted to revitalize Code's slum settlements and converted them into parks and catchment areas. Residents were to be evicted in order to revitalize the Code environment and control Yogyakarta's underground crime network which stemmed from the Code areas. These initiatives and attempts were met with hard resistance in the form of both active and passive resistance. Multiple attempts to evict squatters in the early 1970s failed and led to oppositions, protests and violence which ruptured in the mid to late 1970s. Government attempts to relocate squatters were met with harsh contentions and conflicts. In addition, attempts to re-organize and revitalize Code's slum settlements and riverbank environment have also been met with harsh contentions, leading to fear that civilian uprisings may lead to political destabilization and non-cohesion among government officials and politicians.

Politically, non-government agencies have taken advantage of slum dwellers by radicalizing them against certain politicians through issues of land-use, land-ownership and evictions. In the case of Yogyakarta, when and how property rights evolve also depend on political factors. Hence, the need for community leaders from outside the riverbank community who can mediate and connect to higher level authorities to secure land use and land tenure rights while organizing and mobilizing citizens of the riverbank becomes pertinent for social transformation and environmental revitalization. Internal and external constraints contribute to the hardships experienced by government officials in revitalizing Code's slums and transforming the community. Internal constraints are numerous, including psychological and cultural factors such as the community's apathy towards authority and outsiders, the community's counter culture to mainstream identity and existentiality which encompasses passive and active resistance to the professional and middle class, delinquencies, deviancies in behavior, subversion of middle-class values, etc. Social and economic factors which make up the internal constraints include lack of leadership and lack of institutionalization and organization within the community, ethnic and class rivalries, low purchasing power, lack of access to monetary/non-monetary resources and the banking system, nested power relations, and social and economic disparities among community members. Political factors which make up the internal constraints include lack of opportunity and place to voice concerns, lack of access to authority and decision-making power and lack of access to labor unions and political parties.

External factors which impede the revitalization of Code's slums include discrimination, stigma, fear and alienation by the outside community, the absence of social and legal protection from the government for their land, housing, economic activities and basis for economic production, and economic and political exploitations by the outside community. Beginning with advocacy and proceeding with attempts to empower and establish the community's sovereignty, there is the need to actively engage multiple stakeholders in revitalizing the Code neighborhood. The government, the private sector and the NGO groups all have important roles to play. The private sector, with its interests in profit acquisition and the commercialization of resources, can provide the Code riverbank community with financial resources, vocational education, knowledge, skills, technology and access to economic bases such as cooperatives for savings and loans and commercial banks for local economic development. The government, with its goals of economic and infrastructure development, is in charge of local and regional policies and legislations, imparts land use and strategic development plans, creates laws, and has the rights to govern, educate and mobilize the community through programs and projects. The government needs to partner up with the private sector due to the government's lack of resources, skills and experience in the commercial sector. The NGOs, whose interests are to make money, to participate in regional development and to improve the living standards of the Code riverbank community, can provide the community members with knowledge, skills, organizational network

and access to national and international networks as well as access to political and economic resources. Nonetheless, NGOs need to collaborate with the private sector to acquire commercialization rights and commercialization experience and expertise.

Figure 1 The Code Riverbank Community in Yogyakarta

Concerted effort at mobilizing, empowering and integrating the Code riverbank community began in the late 1970s. Father Mangunwijaya and his team entered Code's Gondokusuman riverbank community in 1977 to provide advocacy and protection to the community in Gondokusuman. The first step taken by Father Mangunwijaya and his team was to install a community leader whose leadership, communication and persuasion skills rivaled his own. Mr. Willy, a political science graduate and resident of Gondokusuman District along the Code riverbank, motivated and mobilized the community members to alter their perspectives and outlook on life. Through Willy's leadership,

direction and mentoring, residents of Gondokusuman (i) developed a strong motivation to sustain and secure their settlements and improve the quality of their environment, (ii) gained an increased awareness of environmental hazards and the environmental degradation impinging upon them, and (iii) built strong internal ties, connecting platforms and social capital towards a resilient community of whose sustained initiatives to counteract external detrimental forces led them to their sovereignty. With the help of a local NGO and the Catholic orthodoxy, Father Mangunwijaya awakened the momentum for advocacy and change. Father Mangunwijaya lobbied the municipal and provincial government of Yogyakarta to acknowledge, protect and validate the residents of Gondokusuman and give them land use and land tenure rights provided that residents do not sell and/or lease their land to third parties. In addition, the municipal and provincial government provided them with basic facilities such as latrines and sanitation, electricity, solid waste disposal sites, communal wells, communal wastewater treatments, embankments, basic drainage infrastructure and paved alleys and pathways. The make-shift houses were simultaneously reorganized by Father Mangunwijaya into blocks with alleys, walkways and space for communal latrines, wells and embankments. Father Mangunwijaya contributed a majority of his income as architect, consultant and lecturer to the Gondokusuman revitalization project while Catholic organizations in Central Java poured substantial funding to rebuild the houses and infrastructure in Gondokusuman. With funding from multiple sources, community organizations were formed to provide

night time security/surveillance, trainings to residents, health and human services and community savings and loans facilities with the help of the government backed, local bank for community savings and loans. Legislations were introduced to provide rights, protection and land tenure for the riverbank community.

The success of Gondokusuman was replicated to other slum areas along the Code riverbank such as that of Gondomanan, Danurejan and Tegalrejo district. The districts above are very close to Yogyakarta's central business district and the city's informal economy becomes easily accessible to residents of the above districts. At the same time, programs for social rehabilitations were introduced in an attempt to curb the underground crime network springing from Code's slums. Beggars and street children from the Code riverbank were counselled and mentored, with semi-permanent housing constructed to temporarily house and rehabilitate beggars and street children from the area. Prostitutes were given medical examinations, medical care and trainings, gang leaders and pickpockets were apprehended, rehabilitated and given the opportunity to start businesses through linkages with the government and government-backed local banks. The popularity of shark loan lenders decreased due to the intimidation and extortion they exert on community members and the availability of alternatives for acquiring capital and loans from outside the community. Replication to other areas proved to be a success, with other districts following suit to Gondokusuman's initial success. The success to replicating Father Mangunwijaya's slum empowerment and revitalization programs hinges on a number of elements.

On the macro level, the following are the key elements for success: (i) the formation and presence of informal pressure groups gearing towards integrated city planning which can acknowledge, integrate and empower the Code riverbank community, (ii) the formation of intra-district federations in the effort to promote networking, to increase intra-district collaborations and to provide voice, advocacy and protection for the urban poor, (iii) the branding, socialization and promotion of the Code riverbank to the community and the public as the "Beautiful Code Settlement of Yogyakarta" as opposed to the "Green Belt of Yogyakarta", (iv) the formation of a publicly protected, privately assisted, community based cooperatives dubbed as the "Community Cooperative for Empowerment and Waste Management", which functions to provide education and technical skills, to create employment opportunities and support systems, to manage solid waste and wastewater and to mitigate man-made and natural disasters such as floods. On the macro level, the following are the key elements for success: (i) the continuation of programs and activities at the district level such as the community operated savings and loans, cooperatives for housing improvement, association of district residents, community tutoring, etc., (ii) the continuation of participatory action research by NGOs, voluntary groups, universities at the district level, and (iii) the use of the mass media to voice the concerns of the urban poor and to form public opinion of the urban poor. The sovereignty of the Code riverbank community depends on the strength of its network within and outside the community and its resilience

to govern and manage itself in the face of adversity and change.

The implications which market rationality and market competition had on groups and individuals were contingent upon complex social and political practices within the locality. In the early 1980s, the provincial government in Yogyakarta's initiated a non-capitalist definition of efficiency in urban land governance with regard to the Code riverbank while encouraging social justice and community welfare. The limits of economic commensurability were considered and the government integrated them into policy making at the sub-national level, fostering the protection of Code's ecosystem services and the communities which gravely depend on them. As well, the government focused on "the imperative of collectively changing the rules of the game" (Hornborg, 2017: 11). Father Mangunwijaya was very much aware that the government often introduced discriminatory systems of property rights to stimulate economic growth to the detriment of the poor and public majority and these systems often reduced efficiency, undermined equity and had to be maintained by force. It is because of this that land reform was conducted and perceived necessary by Father Mangunwijaya to correct the bias introduced by non-market interventions. Decentralization and devolution in urban revitalization has to take into account different forms of perception underlying community involvement and how these encourage groups and individuals to evolve behavior which commensurate their responsibilities. Facilitating participation for protecting common resources requires the emergence of a new social space and the restructuring of

property rights and land use policies which provide a sense of space, place and identity to community user groups along the Code riverbank. At the heart of this is the need to engage community groups through identity, place and imagination. Hence, their sense of importance, recognition and obligation to act for the collective good will motivate them to perform extraordinary actions. Planned changes within policy measures are most likely to result in highly restrictive environments, whereas social, psychological and political engagements are most likely to result in a new space for empowerment and incorporation.

Dualism is the existence of two dichotomous characteristics, attitudes and behavior and is usually in a process of transition from one to the other. Examples of dualism include the differences between the urban and the rural, the old and the new, the natural and the artificial, the pre-capitalism and the capitalism and the informal and formal. A dualistic city is a city in which the population have a dualistic culture and a city which is influenced by or is struggling to overcome the negative effects of the dualistic culture. Yogyakarta is a dualistic city with its clear demarcation between the rich and the poor, the commercial areas and the shanty towns and the formal residential areas and the informal makeshift community of the urban squatters. Yogyakarta's dualistic nature becomes a severe obstacle for urban revitalization, integration of marginalized communities and sustainable governance. Hence, there is the need to build linkages and to integrate and harmonize the various segments of society within the city to instill reciprocity and social and economic capital. In Yogyakarta,

the roles and contributions of many town centers within commercial and residential areas are decreasing and are contributing to the weakening of the integrated urban systems. To integrate Code's revitalized areas into Yogyakarta's middle class and the city's commercial and residential areas, the government-built town centers within the Code vicinity. The reformation of Code's town centers to be walk-able and pedestrian friendly was a very important step for people to meet each other. Moreover, many town centers of the various segments of society and the city in Yogyakarta were also revived, reformed and reconnected as the place of networking of the local people, namely, as the center of networking of the civic sector as well as the business sector (e.g. place of gathering, meeting, exchanging, discussing, dealing). Physical reformation and linkage of town centers, in the case of Code, contributed to the strengthening of local people's networking capacity and to the enduring integration of newly revitalized areas. In addition to the creation of town centers, access to integrated facilities found within the locality such as access to health care services, family planning services, religious services, educational services, administrative services, counseling services, youth and women's empowerment programs, local cooperatives and business start-up programs assisted in empowering and linking these marginalized communities to the outside world.

CHAPTER

III

Environmental Issues in the City

3.1 Issues Faced by Indonesia's Urban Poor

Urban and slum revitalization programs in Indonesia are not devoid of issues and challenges. Land use patterns in Indonesian cities are shaped by three powerful overlapping forces, namely the creative and destructive forces of capitalism, the command and control, top down and often violent measures used by the state in managing the population and the vernacular environment of the slums where the urban poor lives. First, the force of capitalism plays a crucial role in making Indonesian cities of power and influence and has a two-way relationship with the formal and informal land market. Indonesia's capitalist modernization rides on the back of informality: the urban elites and owners of major commercial and industrial enterprises land in strategic urban and peri-urban areas

through social connections, political influence, economic power, market speculations, legal manipulations and involvements in policy and regulatory decision-making processes. Nonetheless, commercial and industrial elites also rely on cheap labor acquired through their absence of involvements in providing housing for workers. Hence, the costs of housing Indonesia's workforce are externalized to the much cheaper informal land and housing market. Second, the state, a very powerful agent, plays a role in classifying civil society and naturalizing differences. The state denotes the urban underclass as the floating mass, the disorganized, unruly and often brutal group of people which the state targets from time to time through acts of violence. These acts of violence include forced eviction from slum areas, forced relocations onto flats and low-income apartments, the deliberate demolition of squatters' homes and the seizure of their possessions. Outlined below are problems and issues which beset the country's urban poor and their implications on slum and urban revitalization. Deliberation and citizen's control over their landscape, identity and means of production is important for inclusive and sustainable governance beyond participation and consensual decision making. The concept of the functional and renewable city incorporates forces of change and development from the periphery, including that of low-income settlements. The concept of deliberative participation, citizenship and inclusive urban governance for sustainable development resituate in the identity category of communities and transforming them, investing them with new values and affiliating them to expertise whilst

reconfiguring relations of exclusion. Success in mobilizing and engaging community user groups stems from the ability to build a sense of ownership, belonging and pride among community members towards their joint effort. This joint effort, when aligned with one's identity and imagination, leads to the emergence of stewardship and the need to give back to the social and physical environment for their protection. Social agents are shaped by, and help shape the context in which they act. Moreover, participation and engagement are not dictated and static but emergent and dynamic. If community groups are operating in a system that rewards individuals for power expansion, bureaucratic advancement and capitalist growth, then groups and individuals will respond to this stimulus. If community groups are in an environment where reciprocity, civic duty and a shared purpose to protect the social and physical environment are present, the social and cultural institutions which emanate at the community level will reinforce the above values. Nonetheless, the roles which command and obedience play in shaping order, coherence and a collaborative framework should not be undermined.

3.2 Adverse Environmental Degradation and Health Hazards

The area where most of the country's urban poor live is an area prone to natural disasters, namely that of flooding, inundation and landslides. In its natural course, the rivers which meander through Indonesia's urban areas carry rainwater from the catchment areas while also functioning

as a reservoir for the rain befalling the city landscapes. Hence, flooding, inundation and landslides are naturally common along natural reservoirs such as rivers and streams. The construction of housing and informal settlements along rivers represses ecological functions and curtails ecological systems, leading to irreversible changes within the ecological landscapes. This, when coupled with inadequate storm water drainage, poor sewerage, arbitrary solid waste discharge and little or no effluent treatment, exacerbate environmental problems for Indonesia's urban poor. Skin diseases and waterborne diseases such as diarrhea and dysentery are very common, whereas filarial diseases such as dengue fever are also rampant. Rodents such as mice and rats and insects such as cockroaches and flies are commonplace, and many have witnessed infections due to bacteria from water contaminated with fecal materials from mice and rats. Groundwater contamination is also commonplace, with groundwater being contaminated with effluent discharge, fecal materials and solid waste seepage. Stagnant water, effluent discharge and the heat and humidity all contribute to breeding grounds for mosquitoes and flies, while illegal solid waste dumping within and along the river bank becomes breeding grounds for rodents and cockroaches.

High population density within poor riverbank communities adds to the complexity for securing adequate health and human services and led to frequent outbreaks of diseases which are difficult to isolate and control. Public space is often absent, with informal, make-shift houses built very closely together, leaving little or no space to

instill roads, alleys, court yards and public infrastructure. Earthquakes are quite frequent and the combination of lack of public space and inadequately constructed housing all contribute to the high casualties of riverbank community members during earthquakes. Fire from cooking gas explosion and faulty electrical wiring are also common, adding to the danger and urgency for a safer and healthier environment. Government interventions in the form of ad-hoc programs and projects for improving health and human services are effective if contextualized within a comprehensive framework of development which emphasizes citizenship, dynamic governance and social and ecological considerations. Often, health and human services for the urban poor communities are conducted within the context of a project roll-out in which the need to tick boxes of outputs becomes more important than engaging community members in a bottom-up, consistent and enduring manner. Moreover, a number of community groups along the riverbanks in Indonesian cities are engaged in small and medium enterprises. This has important implications to the surrounding environment and its need for improved spatial planning and public infrastructure. In Yogyakarta, small and medium enterprises commonly found among riverbank communities include tofu and tempeh (soybean) industries, food industries, leather and tannery industries, jeans dyeing industries and laundry and dry-cleaning services. The above industries pollute the river with effluents rich in chemicals and nitrogen of high CODs and BODs, hence requiring the installations of specific treatment measures. Communal septic tanks are sparsely available,

yet they often cater solely for household effluents, whereas industrial effluents are most often neglected, undergoing little or no treatment.

3.3 Lack of Access to Land, Housing and Infrastructure

The urban population of developing countries grows at a very rapid rate. Between 1975 and the year 2000, urban communities in developing countries had to absorb close to 1 billion people. The concept of resilient city incorporates three indicators, namely the nature and magnitudes of disruptions which can be accommodated by the system, the ability of the system to self-organize and renounce external factors, and the learning ability of its inhabitants as well as the adaptability of the urban system from changes incurred. Among the more important infrastructure and services required for Indonesia's urban citizens, especially the urban poor are employment for the labor market, urban transport, land and urban housing and social services in the field of health, education and family planning.

Indonesia has long been known for its dynamic informal housing sector, by the self-provisioning of housing by owners through incremental processes, where the house is built over time, sometimes over decades. In almost all Indonesian cities, more than half of the houses acquired between 2002 and 2007 were self-built and a large share was acquired through other means, such as inheritance or gifts. Only a small portion of the new housing was purchased from a developer or builder. In the case of the urban poor

in many Indonesian cities, squatters find themselves at a relative locational advantage, being close and visible to the sources of power and authority. Their concentration in the city's metropolitan center enabled them to enter the arena of competition for the allocation of national resources, be it land, services, funding or other privileges. The municipal and provincial governments are well aware of the danger of an uncontrolled and frustrated squatter population resorting to demands, resistance and violence. With regard to urban land for the poor, the Dutch administration did not extend its land registration system across the entire country, but limited it to areas where it had economic interests. This allowed additional or customary indigenous system of land ownership to survive in areas where land was not registered to individuals. This also allowed indigenous inhabitants to grab land and squat in places that are physically strategic, fertile and economically viable. Law no 5/1990 on Basic Agrarian Principles recognizes a customary right (*hak adat*) to land, together with a freehold right (*hak milik*), a cultivation right (*hak guna usaha or HGU*), a right to construct or use buildings (*hak guna bangunan or HGB*) and a usage right (*hak pakai*). However, the regulations governing the transfer and legalization of indigenous land and 'vacant' urban land used by squatters remain unclear until now. The Basic Agrarian Law or BAL did not overcome the administrative dualism between land that had been registered under the provisions of the Basic Agrarian Law and land that was subject to customary and/or informal regulations. In addition, the provincial government is claiming ownership rights of the land in urban slum areas

since officials perceive the vicinity as a catchment and drainage area worthy of protection from the government to safeguard the city against flooding. Moreover, the legalization of land in Indonesian cities is almost always a cumbersome process involving individual plot boundary surveys which must be correlated with the approved physical layouts, calculation of charges payable by residents and the verification of documents by the proper authorities. As well, the above process can begin only after an adequate response from residents and the deposit of the required charges. This led to the deterrence of land registration and legalization among groups across social stratifications, especially among the country's urban poor.

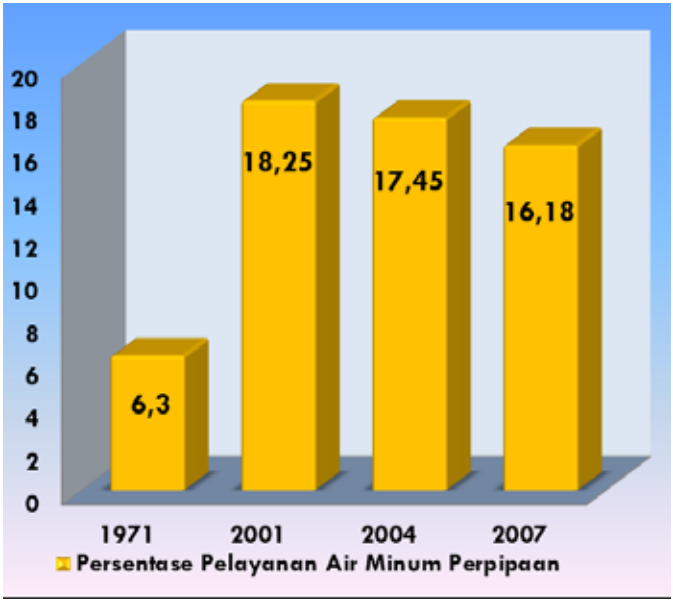

Figure 2 Indonesia's Access to Potable Water Pipes

BPS, Susenas, 1993-2009

House ownership statistics in Indonesia refers mainly to building tenure and not to land tenure. Houses built on rented land, leased land or government-controlled land is very common for Indonesia's urban poor, especially for Jakarta's urban poor. Moreover, Indonesia's rapid urban growth has increased the number of low and middle-income residents in cities and suburbs, but the availability of land and housing for the urban poor has not kept up with demand. According to data released by the National Development Planning Agency, the backlog reached 12 million units in 2013 and is continuing to increase. Most houses built over the past decade have been built by owner-occupiers (rather than government or private developers), but many of them were substandard. In 2012, four million Indonesians lived in very poor-quality dwellings, some of which were not permanent structures, and another 13 million were homeless. While the number of houses constructed by developers each year has increased, many remain unsold due to high asking prices. For the most part, the city's poor who are also owner-occupiers acquire their houses through informal, incremental processes, after squatting on the land, or using inheritance or loan from a family member to purchase land use rights and build their homes. These arrangements have become a quick and ready solution to address the housing backlog. However, informal processes are inefficient in providing low and middle-income residents with adequate access to urban amenities and infrastructure such as water, sewage, electricity, roads or even the public transport system. Meanwhile economic growth has been pushing up land prices, squeezing the low

and middle-income class out of the housing market. Unable to access well located land, Jakarta's poor are forced to squat on land that may be hazardous, without proper services and amenities, or located far from the city center, without any assistance in terms of planning or provision of basic services, or even official recognition of their existence.

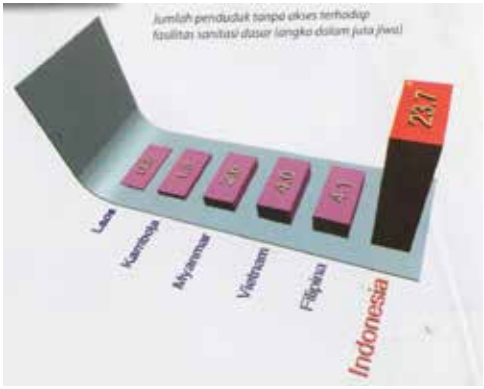

Figure 3 Number of Population without Access to Sanitation

Kementerian PU, Dirjen Sumber Daya Air, Usulan Renstra 2020-2025 - Pembangunan dan Rehabilitasi Air Baku, Jakarta, Indonesia

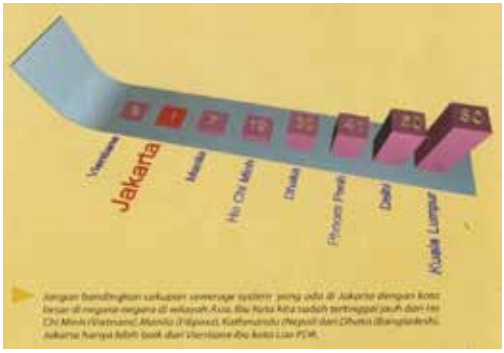

Figure 4 Number of Population with Access to Sewerage System

Kementerian PU, Dirjen Sumber Daya Air, Usulan Renstra 2020-2025 - Pembangunan dan Rehabilitasi Air Baku, Jakarta, Indonesia

Securing land for the government to build housing flats on is quite challenging. The land for the housing flats which house former Kampung Pulo squatters in Jakarta was legally owned by Jakarta's provincial government, obtained after clearing it from run-down office spaces no longer in use. Jakarta's provincial government had trouble securing land over which it has no legal entitlement. The dominant role of the centralized National Land Agency (*Badan Pertanahan Nasional*) in determining land use and allocation, in granting land use permits and in monitoring and controlling land legalization processes deterred the administrative processes for land acquisition and land legalization by Jakarta's provincial government to the detriment of lower income people. Moreover, land acquisition and land tenure security by the provincial government for the poor was also deterred due to unclear property rights, inefficient bureaucratic procedures, high transaction costs and poor implementation and enforcement. Consequently, low and middle-income urban citizens, especially those in Jakarta, face numerous obstacles in accessing housing with secure land rights. At the same time, this situation creates incentives for the construction of informal settlements, reduces the incentives for private developers to build houses for lower income people and deters the poor's access to urban infrastructure and amenities. While the city's private developers are enthusiastic and knowledgeable when it comes to commercial operations, they are not keen to become involved in low-income housing. The municipal and provincial government, on the other hand, as well as non-profit voluntary organizations, can effectively work on

low-income housing, but is not particularly experienced in market operations. The government is less efficient and can waste all or most of the potential profits required for cross subsidies by their inefficient management of construction and sale of properties. This accounted for why most government-built low-income flats in Jakarta were eventually renovated and managed by private developers who lease the property to those outside the low and lower middle-income groups.

3.4 Political Exclusion, Social Marginalization and Economic Deprivation

Social and economic factors acting as internal constraints for slum revitalization, social inclusion and sustainable urban governance include lack of leadership and lack of institutionalization and organization within the community, ethnic and class rivalries, low purchasing power, lack of access to monetary/non-monetary resources and the banking system, nested power relations, and social and economic disparities among community members. Political factors acting as internal constraints for slum revitalization include lack of opportunity and place to voice concerns, lack of access to authority and decision-making power and lack of access to labor unions and political parties. External social factors which impede the revitalization of slum areas include discrimination, stigma, fear and alienation by the outside community, the absence of social and legal protection from the government for their land, housing, economic activities and basis for economic production, as well as economic and

political exploitations by the outside community. Beginning with advocacy and proceeding with attempts to empower and establish the community's sovereignty, there is the need to actively engage multiple stakeholders in revitalizing the slum neighborhood.

The government, the private sector and the NGO groups all have important roles to play. The private sector, with its interests in profit acquisition and the commercialization of resources, can provide the poor riverbank community with financial resources, vocational education, knowledge, skills, technology and access to economic bases such as cooperatives for savings and loans and commercial banks for local economic development. The government, with its goals of economic and infrastructure development, is in charge of local and regional policies and legislations, imparts land use and strategic development plans, creates laws, and has the rights to govern, educate and mobilize the community through programs and projects. The government needs to partner up with the private sector due to the government's lack of resources, skills and experience in the commercial sector. The NGOs, whose interests are to make money, to participate in regional development and to improve the living standards of the poor riverbank community, can provide the community members with knowledge, skills, organizational network and access to national and international government networks as well as access to political and economic resources. Nonetheless, NGOs need to collaborate with the private sector to acquire commercialization rights and commercialization experience and expertise.

3.5 Psychological Barriers for Empowerment and Sovereignty

The eight rungs on the ladder of citizen participation consist of the following ranging from non-participation to sovereignty: manipulation, therapy, informing, consultation, placation, partnership, delegated power and citizen control. Manipulation and therapy are contrived by the elites to substitute for genuine participation with the objectives of educating or curing the participants. Under informing and consultation, citizens lack the power to ensure that their views will be heeded by the powerful. Placation is a higher level of tokenism where the poor are given the opportunities to hear and to have a voice since they have the right to advise, nonetheless the power holders are the ones who ultimately continue the right to decide. Partnership enables them to negotiate and engage in trade-offs with traditional power holders. In delegated power and citizen control, the urban poor obtain the majority of decision-making seats and full managerial power. Psychological empowerment in the form of self-awareness, self-confidence and self-motivation becomes crucial to obtaining other power bases such as social, political and economic power. A prerequisite to equal partnership and the delegation of power is psychological empowerment and the ability to lead. Psychological empowerment begins with the need to reward groups and individuals with identity recognition, validation and differentiation for their stewardship and contributions for safeguarding collective interests within communities of social practice. Socially inclusive and psychologically

nurturing communities of practice produce self-confident individuals with benign identities and stewardship who give back to the social and ecological landscapes. Anchoring psychological empowerment initiatives within emerging social capital, just relations of reciprocity and the context of identity validation imbue community members with enduring confidence and a sense of meaning, importance and direction in their existence and everyday engagements. This in turn propels community members to take actions for safeguarding their social and ecological landscapes in the face of risks and unpredictable changes and adversities. Community members are always appreciative of the recognition, respect and admiration received from others. Psychological empowerment also entails an understanding and appreciation for the need to become benignly active citizens within the context of ethics and integrity marked by continuous reflections and contemplations. Active citizenship, when coupled with integrity and psychological empowerment, leads to the endurance of social capital for protecting common goods and collective interests. The lack of leadership within poor urban communities is attributed to the lack of leadership and diplomatic skills among community members and the lack of opportunities for able community members to practice and implement their leadership skills. The presence of nested power relations at the local and community level curtail social and political spaces for the majority to voice their concerns, to take actions and to actualize leadership capabilities. Government and NGO initiated community development efforts often avoid initiatives and programs to train, nurture

and incorporate young, potential leaders in protecting common goods due to the presence of conflicting interests and nested power relations within local communities. Indonesia's successes in community development and slum revitalizations are marked by the nurturing and incorporation of young community leaders and their roles and successes in building platforms, in socially engaging groups and individuals across landscapes and in imbuing groups and individuals with non-material rewards for benignly protecting and contributing to the collective good.

3.6 Poverty and Culture of Resistance

Prior to Father Mangunwijaya's involvement in the late 1970s, extension officers from the provincial government of Yogyakarta had attempted to revitalize Code's slum settlements and converted them into parks and catchment areas. Residents were to be evicted in order to revitalize the Code environment and control Yogyakarta's underground crime network which stemmed from the Code areas. These initiatives and attempts were met with hard resistance in the form of both active and passive resistance. Multiple attempts to evict squatters in the early 1970s failed and led to oppositions, protests and violence which ruptured in the mid to late 1970s. Government attempts to relocate squatters were met with harsh contentions and conflicts. In addition, attempts to re-organize and revitalize Code's slum settlements and riverbank environment have also been met with harsh contentions, leading to fear that civilian uprisings may lead to political destabilization and non-cohesion

among government officials and politicians. Politically, non-government agencies have taken advantage of slum dwellers by radicalizing them against certain politicians through issues of land-use, land-ownership and evictions. In the case of Yogyakarta, when and how property rights evolve also depend on political factors. Hence, the need for community leaders from outside the riverbank community who can mediate and connect to higher level authorities to secure land use and land tenure rights while organizing and mobilizing citizens of the riverbank becomes pertinent for social transformation and environmental revitalization. The urban poor in Indonesian cities are marked by a subculture very different from that of the middle-class culture. The sedentary lives of the urban poor are experienced on a day-to-day basis with little or no opportunity for obtaining consistent jobs and regular income, for acquiring savings and capital and for protecting against threats of evictions and harassments from gangsters, shark loan lenders and the local police. The sexual decorum of the middle class is almost absent among the urban poor communities, while privacy is the exception as opposed to being the rule. Without proper monitoring and enforcement by government officials, family planning and contraception use among the urban poor lacks popularity and consistency in its implementation. Women marry young in their teens and the average number of children per woman is three to five children. Underhand marriages (i.e. *nikah siri*) are prevalent, leaving women and children with little or no social and legal protection. Consumption patterns are directed towards the consumption of advertised goods, with

preference for popular goods and conspicuous consumptions over necessities. As well, the urban poor displays mistrust towards external leadership, interventions and advocacies. Moreover, the urban underclass also exhibits a culture of resistance marked by disregard and oppositions towards outside authorities, middle class values, adequate work ethics, psychological perseverance and delayed economic gratifications. The above issues, when compounded with the social stratification, political differentiation and economic inequalities within their immediate surrounding environment, lead to their further marginalization, exclusion, and at best, their adverse incorporation into the mainstream socio-cultural landscape to their detriment and to the advantage of the (more) powerful. To avoid the capture of Indonesia's urban poor, it is necessary to re-conceptualize government policies and programs and shift from participatory planning to social and psychological empowerment initiatives and from tokenism in project rollout schemes to community sovereignty through citizen's control.

CHAPTER

IV

Policies for Environmental Governance and Social Empowerment in Indonesia

4.1 Government Policies and Programs for Empowerment and Inclusion

In social engineering, positivism holds that the inquirer does not affect the proceeding of the social phenomena understudy and vice versa. Positivism assumes that the inquirer is capable of "standing behind a one-way mirror objectively recording natural phenomena as they happen" (Denzin 1998: 249). In adopting positivism as the underlying edifice to natural resource governance, the governor is assumed to be independent of the governed (Harmon 1986). In implementing policies, programs and projects the governor is assumed to rely on immutable laws and mechanisms. Governance then takes place through a one-way channel, namely from the governor to the governed (Harmon 1986). Positivistic underpinning holds that the

governor is capable of governing without being entangled in the messy web of the social, psychological and political intricacies typifying human relations (Harmon 1986). The 'governor' and the 'governed' engage with one another whilst mutually reconditioning the social and ecological landscape which they both depend upon. Collective action and social inclusion for urban revitalization requires that intervention and governance be grounded within the complexity of political engagement and social reciprocity. In the context of mutual validation and reciprocity, there is the need for policy makers to be diplomats and negotiators. As well, brokering is important for promoting devolution of rights and responsibilities and instilling participative engagement in natural resource governance. These promote adaptive management capacity whilst "lessening the tensions between benefits and costs of institutional arrangements at various levels" (Ostrom 2003: 23).

In relation to the role of the state, the separation between state and society is highly improbable since the state and its governing bodies are shaped by the very individuals whose interests and stakes are anchored within the landscapes (Giddens 1981). Giddens (1981: 212) remarked that the governor and the state "operate in a context of various capitalistic and public imperatives" while simultaneously "expressing mechanisms of class domination and instilling elements of morality and justice". Government institutions operate under the capitalistic imperative to increase resource extraction for greater production and revenue whilst also operating under the public imperative to conserve local resources and ensure sustainable future use.

Hence, perspectives over urban governance are dynamic and tailored to changing circumstances, whereas multiple management regimes converge and diverge within the context of change and complexity. The above creates ever changing barriers and enablers which motivate individuals to act in a way that benefits the overall good even when they are avowing individual rights. It is by incorporating local pluralism and complexity that "the experiential and interconnected ways of knowing the world" becomes evident and participatory research practices materialize (Schon 1987: 29). Although positivist thinking underpins officials' perspective of governance and may limit the ability to be socially reflective and aware, further engagement with officials and community members show that officials believe the concept they espouse may not be congruent with their practice. The reflective approach reaffirms that social reality is the extent and ways in which the various individuals share an understanding of the situation (Schon 1987).

4.2 Social Constructions of the Urban Poor by Officials and Donors

Officials perceive community members as homogeneous and impoverished. According to officials, it is this nature which makes community members reluctant to participate in local governance and sustainable resource management. To attract local user communities to participate in sustainable governance initiatives, government officials perceive the need to stimulate income and improve social welfare through the commodification and

commercialization of local land and human resources. As well, extension practice in the field of urban community development has a dominant focus on technical knowledge transfer and the application of trade and entrepreneurial skills. Some officials correlated empowerment with the disbursement of funds for community members. The problem is that not only one, but many community members believe that loans are gifts and that donations are the rightful property of their families. They feel that they do not have to repay these loans. Moreover, they feel that they deserve to have the loans without the repayments and installments since they consider themselves as the less fortunate who need to be aided by the more fortunate and they see the government as somebody who is supposed to be providing for them and protecting them. The loans are supposed to be used for improving their equipment for their commercial activities, but they are used to buy cooking oil, motorcycles, birds and chickens. This suggests that perception of development adopted by external institutions resulted in paradoxical outcomes due to differences in sense making and reality constructions. Nonetheless, both government officials and community members require the projects and funding, and retaining them within the locality (i.e. within the village and the regency) becomes a priority. Hence, although motives underlying the need for projects and funding are different, the practice of pursuing them among both government officials and community members is compounded and reinforced by common needs. The dependency between government officials and community members is therefore a two-way street, and this can lead to

the community members' aligning with the government's discourse for the need to promote empowerment through funding acquisition, infrastructure development projects and the commercialization of local land resources. Moreover, to encourage empowerment and improve social welfare, executives see the need to open business opportunities. Business opportunities are made possible through investments and technical education. Technical education is perceived important for promoting marketable skills and empowering local user communities. Due to the perceived urgency for promoting local economic development and improved social welfare, a large portion of the department's institutional resources are allocated for activities relating to small and medium enterprise development, capital investment through loan disbursement, technological advancements and infrastructure development. A minute portion of the department's budget and institutional resources are allocated for environmental protection and natural resource conservation. According to officials, the approaches above, when aligned with current policies and programs for the sustainable governance of local urban resources, would motivate resource users to conserve and sustainably manage these resources. Despite efforts at promoting grass root and bottom-up intervention approaches, these approaches were nonetheless top down. This suggests that local social and political contexts are relegated to the background. Although the Indonesian civil service is made up of manifold individuals and some are aware of the plurality and complexity within community user groups, government officials seem to follow a culture

of elitism and political correctness as that evident in the nation's official policies and culture. Moreover, government officials are tied down by many factors such as the regional laws and mandates and the hierarchy and seniority within the bureaucracy. Due to affiliations with the official's culture of elitism, some government officials perceive community members as passive and reactive. Hence, community empowerment and development are thus equated with the need to define targets, priorities and strategies for community members. According to government officials, in today's bottom-up era, the community members' role is to voice their aspirations to executives and staffs within government departments, whereas the role of government officials is to incorporate the community's aspirations and synchronizing them with regional policies and available budgets.

4.3 Policies for Urban Infrastructure Development and Slum Renewal

The access which Indonesia's urban poor has on infrastructure facilities determine their ability to function as social subjects and contributor to the country's social and economic development by changing their surrounding environment. The demand for urban infrastructure does not necessarily correlate with its supply, especially when it involves supplying urban infrastructure for the poor in the form of transportation facilities, roads and urban drainage systems, electrical generators, pipelines for providing fresh water services and oil and gas. Without proper legal

protection by the government for private investment, adequate public-private partnership scheme and legally binding public investment institutions, the private sector is avoiding its responsibilities to provide infrastructure for the poor. Over the last ten years, the Government of Indonesia has taken measures to ensure fair and equal participation from the private sector to provide investments for infrastructure development in Indonesia's urban areas. The monopoly and monopsony of the state-owned enterprises responsible for supplying electricity, for building roads and highways, for providing telecommunication facilities and for constructing drinking water pipes and freshwater facilities have all been scrutinized and dismantled, and an institution was established to regulate the working and the market for the supply and demand of urban infrastructure and amenities. The government is also focusing on regulations for controlling the market in the supply and demand of urban infrastructure and amenities. Constitutional Law No 20 on power and electricity stipulates the diversification of opportunities for private investments in the supply of electricity and electrical facilities. The telecommunications sector has also undergone similar measures, resulting in a duopoly of telecommunication service provider, namely that of GSM (Global System for Mobile Communication) and CDMA (Code Division Multiple Access). An issue relating to the supply of infrastructure involves pricing. The prices set to consumers should incorporate economic considerations for operational charges, management efficiency and a sound profit margin. Although competition in air travel has resulted in pricing that is set based on the above criteria, pricing for

the construction and maintenance of urban infrastructure, urban transportation (buses, trains), potable water supply, electricity and oil and gas has not reflected the above criteria. Urban infrastructure for the mass population, and especially the poor, is overly demanded and under supplied as reflected in the significant gap between the demand and the financing of urban infrastructure by the national and provincial government. Jakarta's former governor, Governor Purnama, was jailed for mandating national corporations to pay their overdue taxes and contribute through its corporate social responsibility duties to build Jakarta's urban infrastructure. Moreover, the urban underclass's low purchasing power entails the need for subsidies by the government. An issue involving oil and gas subsidies for the poor is middle class capture. The targeted group, the rural and urban poor, is not the majority who benefits from government subsidies in oil and gas.

There are two factors to keep in mind when it comes to the success of slum renewal and urban regeneration in Indonesian cities. First, the strategic approach to urban regeneration and slum renewal is needed whereby ad hoc projects need to be positioned within a broader vision of the region to tackle urban problems. Slum renewal and urban regeneration which are too small in scope and area and too restricted with sectoral targets and goals cannot have a real impact on resolving problems of urban degeneration. The case of Indonesia suggested that it requires policies and actions that are encapsulated within a broader context and a comprehensive approach that deals with economic, environmental and social issues within the

establishment of an integrated strategic initiative at the local and regional level. This has a dual advantage in that it provides a comprehensive solution to piecemeal issues and it contributes to local and regional regenerations. The presence of consistent spatial planning, locally emerging institutions and binding legal protection are key to enduring and effective slum revitalizations and urban renewals in Indonesia. Second, the multidimensional and complex nature of urban problems require integrated, coordinated and multi-faceted strategies from the private sector, the government sector and the civic sector to address a wide range of social, economic and ecological issues. Successful partnerships are equal partnerships which are not exploratory and adverse in nature to ensure the appropriate benefit sharing and goal accomplishments from slum revitalization and urban regeneration policies, programs and projects.

4.4 Policies for Economic Development and Social Inclusion

The relationships between regions, cities, towns and districts within cities are pertinent to the resilience of cities and regions, with the city center as the center for growth and the peripheries as nodes and poles feeding with networks and resources as they flow intermittently. These flows embody capital, innovations, the mobility and migration of whole populations, investments in the form of tangible and intangible assets, human capital and the flow of information. These networks are enriched with nodes

which act as feeders for comprehensive and integrated growth in part and as a whole. Slums and low-income urban areas also function as nodes for distributing and circulating resources across the landscapes. Cities in Indonesia provide three categories of services, namely consumer services, production services and public and government services. Consumer services include trade services in the form of wholesalers and retailers, entertainment and recreation services and private services such as salons, spas, etc. Services relating to production encompass transportation, communications, utilities, finance, insurance, real estate, advertising, labor supply, consultant services, etc. Public and government services include public administration services, human and social services, health services, education services, etc. Effective measures for economic development, poverty alleviation and social inclusion of the urban poor are threefold, namely through improved welfare, through social integration and through spatial integration. To improve the welfare of the urban poor, the productivity and economic outputs of the urban poor need to be increased. Moreover, the rate of production must be higher than the rate of population increase.

To improve social integration among the urban poor, advocacy and platforms are required for the urban poor to participate in decision making over government policies and programs and to participate in the economic sector. To promote spatial integration, there is the need to instill social and economic development at the local districts, towns and regions through balanced network and exchange systems. Policies to promote linkages and social inclusion

can be direct and indirect. Direct policies include the implementation of projects and programs to revitalize and develop stalled areas of the cities and regions, programs and projects to build and develop new nodes as emerging platforms for inclusion and programs and projects to distribute growth and development to other parts of the cities and regions. Indirect policies include taxes, tariffs, transportation, etc. The Indonesian government, especially government municipalities for urban agglomerations such as Jakarta, Surabaya, Medan, Makassar and Manado, have incorporated (i) infrastructure development to facilitate economic growth and social redistribution, (ii) development of new nodes and trade centers within these nodes to facilitate city growth in areas which are dilapidated, stagnant, impoverished and excluded, (iii) the development of growth poles and the development of suburban areas for redistribution, inclusion and social justice, and (iv) the formation of urban hierarchical systems in urban areas to protect land prices in certain areas and to increase land prices in other areas. The last intervention approach has pushed land and rent prices upwards, relegating middle-income housing to the periphery and suburbs, lower-income housing to slums and illegal government sites, and strategic urban areas captive by land speculates and developers. The Indonesian experience suggested that the most effective intervention method for slum revitalization and social inclusion is infrastructure development and the development of new nodes and trade centers which involved the lower income communities living in the slums. Funding for the development of infrastructure and the

development of cities is encompassed within four categories, namely (i) build-operate-transfer, (ii) leasing, and (iii) estate management. In build-operate-transfer, government departments as the owner of properties and assets provides opportunities to the private sectors to construct and operate assets and infrastructure for a certain period of time as a token of gratitude for constructing urban infrastructure and facilities.

After a certain period of time, the assets and properties are given and turned over to the government for ownership by the government. Collaborations with the government can still be prolonged in the form of leasing. An example of the above involves the construction, maintenance and management of highways and toll roads. In the case of Indonesia's slum revitalization and urban regeneration schemes, municipal governments often use the build-operate-transfer method to build flats for slum dwellers and to build market stalls for low-income traders and street vendors who sell their goods in government owned land such as sidewalks, streets, bridges and other public facilities. Similar to the low-income flats, the issue with these newly built market stalls is that overtime they become unattractive to low-income traders and street vendors due to poor location, increasing tenure and utilities fee, refusal by traders and vendors to relocate and adjust to the new environment and, in the case of those that persist, are in danger of being captured and occupied by middle income traders from outside the area. Leasing is whereby the land, building, assets and properties are owned by the government and the private sector is involved in operating and managing

the facilities. An example of this involves hotels, malls and supermarkets. The private sector solely invests in human resources and the day-to-day operation of the business. The estate management scheme is whereby the government incorporates and implements land use policies with certain parts of the city being allocated for industries, businesses, housing, office buildings, and the government offers the private sector the opportunity to build and manage these parts of the cities. The case of Indonesia suggests that the private sector is reluctant to invest in developing infrastructure for the poor, hence the national government and Jakarta's municipal government is now starting initiatives whereby 30% of the space in shopping malls, trade centers and large supermarkets are exclusively allocated for small and medium enterprises to showcase and market their products. Small and medium enterprises participating include those in the food and beverage sector and those in the retail industry selling clothes and household supplies. In many cases, residents of slum areas held working bees to construct and maintain paths, steps, railings, bridges, wells and public washrooms and toilets; they also organized garbage services, clinics for infants and the elderly, funeral services and credit and loan activities.

4.5 Policies for Land Tenure and Urban Housing Facilities for the Poor

Indonesian cities and slum areas are faced with powerful forces, including the forces of capitalism, the forces of violence inflicted by the state in managing the population

and the forces of violence within the environment of the slums or *kampung*. Nonetheless, cases in slum revitalization also suggest that low-income residents are creative in their own ways and their creativity mobilize them to create their own space and to take pride in the construction of their homes and communities. Residents of the country's slum areas have used multiple negotiation methods and diversity of strategies to bargain from being evicted and to bargain for aid, infrastructure and health and human services. An issue faced by the government involves (i) the formalization of informal land, housing and urban spaces where the urban poor lives, (ii) the formalization of their environment which allows informal mechanisms of local property rights and its housing norms to be protected and enabled to the advantage of the poor communities, and (iii) the formalization of their environment which does not lead to stern commercialization and loss of control of their assets to investors who would demand that the land and housing be put on the formal market where their investments could be protected. The last point would result, not in empowerment and inclusion, but in further marginalization of low-income residents as they are evicted from the *kampung* and driven to the city outskirts or back to their villages of origin where access to employment opportunities and income would be limited. The promulgation of Law 26/2007 on Spatial Planning stipulated that municipal governments must include plans for the layout provision that informal street vendors could potentially use. Residents of slum areas collaboratively design their housing and social environment to facilitate a social and economic space which is difficult

to extrapolate in low-income flats. The government of Indonesia contemplates a homogeneous community as a way of making collective existence intelligible to government planners and therefore controllable. Nonetheless, the above runs the risks of ignoring the structural make-up which perpetually shapes poverty and exclusion. The slum areas and the environment where the urban poor lives should not be conceptualized as a state discourse for local development and should not be perceived against the expansion of capital as residents have the potential to negotiate their own conditions and well-beings.

In Indonesia, land policy has not performed effectively in enabling low and middle-income urban dwellers to obtain secure land and housing in adequate measure. In practice, complicated local regulations for obtaining permits led to land acquisition delays and the lack of land security for low and middle-income dwellers. The above encouraged developers to violate procedures by quietly acquiring land before they obtained the requisite permits. Three challenges beset land access and land acquisition for the poor and middle class. Firstly, due to inconsistent land regulations and unclear property rights, *kampung* and slum dwellers build their own houses on land that is rented informally from other residents who possess a right to build on or use the land through the *Hak Guna Bangunan* permit they acquired. Some poor and middle class move to the suburban areas where accessibility to the city and accessibility to infrastructure and amenities is poor. Secondly, inefficient land development processes inhibit developers for acquiring land and developing housing for the poor. Uncertain time-

frame, multi-layered bureaucracies, high transaction costs and small profit margins deter developers from securing land and from developing housing for the poor and middle-lower class. Thirdly, state agencies relating to land policies, permits and enforcements lack sound human, financial and institutional resources thus leading to the inconsistency and incompleteness of the regulatory system, inconsistencies in implementation, monitoring and enforcement of policies and regulations and a lack of institutional capacity marked by poor quality human resources. This encourages charging informal and illegal fees during land registrations. There are three feasible solutions to the above problems, namely: (i) in order to attract private developers to build houses for the low and lower middle income population, the government should simplify procedures for obtaining development permits, devise a transparent cost for registering and issuing land permits, and subsidize infrastructure and utility costs, with local governments mandated to proactively provide and set aside land and basic infrastructure for the low and lower middle income population, (ii) based on strictly enforced eligibility criteria, the government should subsidize for land registration and the cost of purchasing or building homes for the lower-income groups since surveying and administrative fees are particularly expensive, and (iii) the need to reform the land administration policies and processes to become clearer, simpler and more flexible to reduce time, energy and costs through the collaboration between the National Land Agency or Badan Pertanahan Nasional and the local government for a more integrated land use planning and management.

4.6 Policies in Health and Human Services

Many of Indonesia's slum areas receive health and human services from the government, including services for solid waste accumulation and disposal, wastewater disposal and treatment, infrastructure for access to freshwater, health care for infants and the elderlies, family planning, family clinics or *puskesmas*, vaccinations for infants and children, schooling for children and preschools and many more. Some services are self-funded and self-organized by community members while others are held through collaborations between government and community members. With regard to solid waste management and disposal in the slum areas, a number of methods are used and combined. Open dumping and burial and incineration of solid waste is usually combined with community collection of solid waste by waste pickers from the community. The waste is then collectively accumulated at certain posts for collection by waste pickers from the municipality. Afterwards it is then disposed of in temporary disposal sites for further transportation to its final disposal site using municipal dump trucks. Community members, through the district heads, pay a minute fee for solid waste collection and disposal to the city government. Best practices from Indonesia in providing health and human services rest on the formation of integrated institutions or secretariats across districts which perform the following tasks: (i) conducting negotiations with a number of stakeholders to bring health and human services to the community, (ii) performing mediations to resolve issues and conflicts, (iii) conducting

coordination for management and implementation, (iv) facilitating decision making processes for program, project and budget allocation and implementation at the local municipal level, (v) developing strong networks, (vi) instilling change and innovations, and (vii) providing recommendations for policy and program formulation. Regency and municipal governments provide assistance and support to the above institutions/secretariats. The assistance and support provided by the regency and municipal governments which lead to best practices in the collaboration include: (i) providing strong legal support for enabling health and human services through infrastructure and service development and integration, (ii) providing policies, programs and technical staffs in various activities for coordination, collaboration and mediation to enable integration and synchronization, (iii) providing budget and funding for the day to day operation of the institution and secretariat. The presence of these integrated institutions or secretariats enables community members to voice their concerns and enable local governments to facilitate comprehensive and integrated services that are accurate and responsive to local needs, transparent and accountable to both the government and community members. These collaborative and integrated institutions or secretariats also serve to facilitate the following: (i) improve the quality standards of health and human services, (ii) increase its efficiency, (iii) improve its cost-effectiveness, (iv) improve its accessibility to different groups and individuals, (v) mediate conflicts across districts, and (vi) elevate its function to provide services through its autonomous nature and status.

Best practices in providing health care for Indonesia's urban poor include subsidizing health programs designed and targeted especially for low-income dwellers, improving and empowering local health facilities or *puskesmas* that are especially directed for use by low-income settlers, subsidizing health insurance for low-income population, forcing insurance agencies and local state hospitals and clinics to provide services for the urban poor.

4.7 From Empowerment to Sovereign and Responsible Citizen

The prevailing economic and technological forces in the big city have broken away from the ecological pattern, as well as from the moral inhibitions, the social codes and the religious ideals that once, however imperfect, kept them under some sort of control and reduced their destructive potentialities. If our urban civilization is to escape progressive destruction and dissolution, we will have to build it from the ground up. In order to enable the above, we will have to do more than simply alter road and spatial plans, humanize housing projects and give wider geographic distribution to economic activities within the city. The city common is not simply an organ of social and economic life, but an organic embodiment of the common life, in ecological and social balance with all the elements comprising it and with other cities and towns within the larger region in which they lie. The concept of virtual participation through the use of applications and gadgets to participate in the country's economy has become extremely popular and useful in

Indonesia in the last five years. The online applications for *grab* (online taxi), *gojek* (online motorcycle cab), go-food (online food order), online shopping, and many more have proved to enable the lower class and most marginalized community members to participate in the country's economy and enable economic growth through new job opportunities. Low-income community members within slum areas along the riverbanks usually own motorcycles and organize themselves into clubs and cooperatives for marketing purposes, for accessing loans and for coordination in providing services to consumers. As well, low-income communities are usually involved in retail businesses such as that of resellers of clothing and/or household items. Through the use of their cell phones, these resellers take advantage of the website and applications such as *tokopedia*, *blibli*, *lazada*, etc. to sell their products and increase their income. Convergence at the city level takes place through a number of measures, and in the case of Indonesia's best practices in slum revitalizations, convergences takes place through joint institutionalization, cooptation, mutual engagement, collaboration, reciprocity and group identification upon various platforms such as the education platform, the health and human services platform, the platform for community empowerment, entrepreneurship and local economic development and the platform for joint governance and planning at the district and municipal/regency levels. Citizens are agents that are free and equal and each person can take responsibility for his or her own life, and all have the same basic abilities to take part in a society's common life. The urban society should be a fair scheme

of cooperation with a predictable system of competition whereby self-interest cancels self-interest well enough so that no person or group ever gains too much power. It is within the above conceptions that urban regenerations and slum revitalizations manifest its best. In urban regenerations and slum revitalizations, the welfare state may deprive the most disadvantaged from sufficient political, educational and employment opportunities while leaving most of the economy in the hands of the wealthy. The welfare state generates a demoralized and disengaged underclass. Best practices in slum revitalizations indicate that citizens gain self-respect from seeing their own good publicly affirmed by their institutions. And every person develops an allegiance to the society because they see how its rules and conventions and values encourage citizens not to do each other down but to share each other's fates and to collaborate to enable the betterment of the commons.

4.8 Comprehensive Policies VS Dynamic Governance

The traditional policy framework focuses on a comprehensive policy comprising of an umbrella policy and its policy subsets which complement each other to create a comprehensive and holistic system. The political framework provides the environment for evolutionary institutional change. When political leadership changes in response to societal changes in values and preferences, there would be pressure to re-examine the institutional framework prevalent under previous political regimes. Institutional change tends

to be incremental and path-dependent because the process by which we arrive at today's institutions is relevant and constrains future choices. Even when formal rules change, informal constraints that are culturally derived and defined may not change immediately and can continue to exert significant influence on behavior. The strength and level of community participation is directly linked to the stakes involved. Therefore, organising communities around a single issue, that is, preventing eviction, may provide great incentive for initiating community organization and action, but may not be able to sustain it in the long run. Sustained participation requires visible or felt achievements on some priority issues, and then identification of other priorities and further action planning to address them. Identifying additional resources and partners also helps to encourage and support sustained work of communities. Training of community leaders and resident volunteers is needed, but the programmes reviewed found that it should be field-based, hands-on, practical training, including exposure to other successful community projects and their leaders. Group training of several communities together was also found to enhance exchanges and continuing sharing of experience. Where community organizing is done by government agencies it was noted that the quality and level of community participation tended to decline as the programmes grew in size. Also the addition of large government executed components which did not involve the community tended to sideline or undermine the role of the community organizations. Some ways to prevent this was to channel additional programme

elements and resources trhough the existing community organizations and community based planning processes. The most important aspects of community programs is the emergence and sustenance of GO-NGO-CBO partnerships which have changed the relationships among them. Urban poor communities are no longer seen as simply welfare beneficiaries, but as sovereign citizens and partners in a process to improve ther communities and as contributors to the overall well being of the whole city. Where community organizing is done by government agencies it was noted that the quality and level of community participation tended to decline as the programmes grew in size Also, the addition of large government executed components which did not involve the community tended to sideline or undermine the role of the community organisations. Some ways to prevent this was to channel additional programme elements and resources through the existing community organizations and community based planning processes. One issue which differed among the progrmmes was the desirability of a uniform community structure. Most felt that considerable local variation in community structures was desirable, but some government mandated community structures were found to help expand and replicate programmes and develop stadard service delivery systems. The most important aspect of slum revitalization programs is the emergence of GO-NGO-CBO partnerships which have changed the relationships among them. Urban poor communities are no longer seen as simply welfare beneficiaries, but partners in a process to improve their communities and as contributors to the overall well being of the city. The city

government and local authorities are closest to the people and should be most responsive to them On the other hand, city governments generally have limited authority nad resources and are strongly influenced, if not controlled, both by higher authorities and local elites. It is at the city level where national policy, program implementation and people's participation intersect. Therefore, thefocus should be at the city level even during analysis of the influence of international assistance, national policy or community-level action. If programs are to expand on a scale commensurate with the increase in the numvers of the urban poor, the cities must take the lead to advocate policy changes, coordinate national and local programs and resources, reorient and develop their own capacities and facilitate community-based development. During the last decade, in Indonesia the power to alter community development has slipped out of the hands of city planning departments and has been transferred to development coordinators. This weakened the professional planners and planners contributed to this by their refusal to take concerted action in opposition to the perpetuation of the department.

CHAPTER

V

Constraints and Enablers for Social Inclusion and Sustainable Environment

5.1 Challenges and Opportunities for Inclusion through Urban Revitalization

In slum revitalization and urban regeneration, the political and institutional constraints are more difficult to overcome than financial and technical constraints. Reorienting, training and restructuring local govenrments to support and work with community based programs for the poor implies taking resources and attention from more elite groups in the cities, whereas organized and informed communities are likely to become more demanding of government and become more politically active. It is doubtful that political will at the local level and policy, financial and technical support at the national and international level will be voluntarily forthcoming. In order to achieve a successful slum revitalization and

urban regeneration in Indonesia, the supporters and implementors of such programs must focus their efforts on: (i) evaluating the impact of community based programs including quantitative measurement of social, physical and economic impacts using sample surveys with widely accepted indicators and also assessing the psycho-social dimensions, (ii) proving the cost-effectiveness of community-based programs by carefully measuring the costs of such programs for government, donors and communities and directly linking the cost to the quantitative impacts, (iii) advocating the noted policy and structural changes, based on solid research and documentation, at the international, national and local levels, (iv) institutionalizing training of city government officials, program staffs and community leaders and GO-NGO-CBO coordination structures and mechanisms, and (v) explicitly mobilising the political power of urban poor communities by supporting netwrling among them and advocating for their direct representation in both local and national government councils, planning bodies and political organizations. The discussions below illustrate the challenges associated with slum revitalizations and urban regenerations in Indonesia. In Indonesia, urban poverty issues are usually not at the forefront of national policy discussions. Within the context of the existing poverty alleviation porgrams, with excessive targets and a top-down approach, it is obvious that the real needs of the urban poor are not being met. We cannot expect the national, regional and local governments to automatically incorporate the needs of the urban poor into their political agendas, while nested power relations render decision making within

the GO-NGO-CBO coordination structures susceptible of being captured by local elites. In the light of government policies on the integration of urban revitalization, regional growth and economic development, the informal sector is often overlooked, undermined and discriminated to the preferred advantage of the formal sector, leading to the unpredictable nature and the lack of protection for the informal sector. The informal sector is marked by the following characteristics: (i) easy entrance, (ii) based on local resources, (iv) privately owned by families and local associations, (v) small scale operation, (vi) incorporates locally ingrained technologies, (vii) skills and knowledge acquired through informal education, and (viii) unprotected competition within the local and regional market. The formal sector is marked by the following characteristics: (i) stringent and highly competitive entrance, (ii) based on external human resources, (iii) owned by corporations, (iv) operating on a large and wide scale, (v) capital intensive and often relies on foreign technologies, (vi) knowledge and skills used are gained through formal education and often employ foreigners, (v) protected market through trariffs, quotas, trade licenses, tax levies, etc). Hence, there is the need to control the discrimination towards the informal sector and stimulate its growth through facilities, infrastructure, credit, managerial traininigs, increase in skills and knowledge, advertising and promotion and resource input. The above efforts aim to promote a more balanced, increasingly cooperative and mutually strengthening relationship between the formal and informal sector. And the structural inequality between the two can be lessened.

5.2 Polarization and Efforts at Diffusion

The inner-city has always been regarded as the lower-class environment of the city. The innercity is equated with the urban underclass, a member of a different family altogether. This echoes the polarization of the economy and the severing of the links between groups at the lower ends of the spectrum and those at the top. The inner-city has become the imagined environment of the disenfranchised and the excluded. This perception of the innercity is reflected in the geographies of service provision and abandonment. The innercity constantly emerges as the area most qualitatively and quantatively under-provided with basic health, welfare, education and financial services. The banking system favored the affluent as opposed to the impoverished, concentrating in areas of affluence over areas of poverty, leading to a process called financial exclusion. In Indonesian cities such as Jakarta, Surabaya, Makassar and Medan, gentrification of the innercity is commonplace in the last 15 years. Gentrification is the movement of the affluent, young, middle class residents into run-down innercity areas due to its cultural capital and its distinctive and strategic buildings and space, often available at very low prices because of its physical dilapidation. The effect is that these areas become socially, economically and environmentally upgraded. Local authorities have promoted activities that support gentrification, such as the construction of parks, sidewalks, public areas, infrastructure, roads and safe and comfortable boarding houses for the young middle class

alongside community residential homes. An issue with gentrification is the rise of rent prices within the locality.

Urban regeneration in Indonesia has taken place within changing structures of urban governance. The creation of agencies such as the National Land Agency, has effectively taken certain areas out of the control of local authorities and transferred rights and accountability away from the local area towards the central government. This has indeed curtailed local participation in decision making and threatened democracy. In the face of powerful development coalitions supported by the country's legislation, community groups and opponents to development groups grow weak, under-resourced and distanced from power. Financially, community and opposition groups are funded by donations and subscriptions and community and opposition groups are further excluded from engagement and decision making by the restricted and limited information divulged by the development coalitions, by a lack of legal and technical support and by the closed nature of decision making in local governments. When faced by the apparently unified development coalitions, community groups and opposition groups appear fragmented because of their diverging agendas.

Efforts at diffusing and empowering the urban underclass require venturing into alternative physical and mental spaces within the urban environment which unfold historical processes. The city, including the lower income areas, embodies and enacts historical processes which produces counter-representations of the urban space. The specificity of a locale and its histories become critical for documentary, rethought, redeployment and revitalization

of urban areas. It is within these contexts that meaning and land use patterns can be altered and urban revitalization processes can take place. The use of art in rethinking, re-imagining and redeploying the urban landscape towards revitalization, especially that of inner city revitalization, is incorporated by local governments in Indonesia. Local governments in Malang, East Java and Yogyakarta, Central Java are using art through the *Kampung Improvement Program* to enhance and beautify the low-income areas. Through the use of fresh, multicolored paints, through the spatial reorganizing of the *Kampung* area and through the construction of basic infrastructure, public spaces and parks, local governments are revitalizing the inner city's slum areas to make them more attractive for cultural tourism purposes. An example of this involves Malang's inner-city, low-income communities which have been revitalized, reorganized and freshly painted to draw local tourists into the site. The success of this program hinges on local government support across departments, on funding local infrastructure development, on legal protection and on community involvement at various levels. This has paved the way for new interpretations of the inner-city urban landscape and led to a new space for negotiation, empowerment and sovereignty.

5.3 Land and Housing Tenure for the Poor: Changing the Rules of the Game

The Indonesian experience suggests the need to secure land for the poor through fair legislations, social inclusion

and political incorporation. The politics of land legislation and urban land registration favors the privatization of land for their use and commodification by the middle class, the elite class and the ruling class to the detriment of the poor. The common use of land under multiple management regimes is both undermined and ignored. The urban land where low-income dwellers reside are governed by multiple management regimes, namely that of public ownership whereby private rights are attached and common management recognized. Subversion of public ownership and public management of urban land by low-income 'owner'- occupiers and subversion of indigenous claim to land and their common management by public officials and elites led to the 'open access' nature of slums and squatter areas, making it more prone to land grab and intractable land-use conflicts among groups and ethnicities. The resulting 'open access' nature of slum and squatter areas enable renters to freely sell and/or lease vacant spaces to newcomers. This also opens up opportunities for both officials and civilians to hit and run and take advantage of slum residents by illegally taxing them for services such as solid waste collection, potable water, electricity and 'protection' against outside gangsters. Changing the rules of the game entail allocating a non-commensurable portion of the urban inner-city exclusively for low-income dwellers through legal protection for land tenure and land use acquisition, through simplified land-use permit and registration system, through co-management, through community identity recognition, and through social and economic incorporation of low-income residents. The spirit

and purpose of the political act to secure land and housing for the poor often fall short of its aim and lose momentum due to lack of consistency in land policies and land permit system across the bureaucracy and stakeholder groups. The allocation and accessibility of land tenure for Indonesia's urban poor depends on the owner and the owner-based decision-making process, the forces of capitalism at play and the government policies and regulations over land allocation and use in urban areas.

The case of Indonesia suggests the need for land-readjustment schemes in order for redistributive justice to take place and secure land tenure and urban infrastructure for the poor. Under this scheme, adjoining parcels held in fragmented ownerships are first consolidated, developed and then partitioned into service plots in a rational and planned manner, including incorporating the need for building adequate infrastructure and amenities in slum and squatter areas. In this scheme, the original landowners contribute some portions of their land to finance the basic infrastructure and other development costs. The project can be self-financing as well. This was done in both the cities of Yogyakarta and Malang and led to the opening of new social and physical space for the city's poor. Such projects are usually carried out by cooperatives of land owners and developers. The significant advantage of land-readjustment schemes is that it generates space and public funding for the construction of community infrastructure as well as it enables a more effective spatial plan for sustainable and equitable land use and housing tenure to take place. In Indonesia, land ownership patterns in urban areas become

highly skewed, whereas ownership of real estate becomes the distinguishing factor between rich and poor. An initiative which has been adopted in other developing countries such as South Korea (Soul and Busan) in the 1980s and 1990s which has not been effectively implemented in Indonesian cities is that of the implementation of the Urban Residential and Urban Commercial Land Ceiling Act, whereby a ceiling on urban residential and urban commercial land holding is put in place in order to limit the amount of residential and commercial land which an individual, household, developer or even oligarch can own in urban areas. More specifically, lands which should be specifically subjected to this act include: (i) lands where dwelling units are built, including adjacent residential and commercial lands, and (ii) lands registered as 'building plots' and do not contain any built structures (idle lands). Land market in Indonesian cities is dominated by the sellers as opposed to being dominated by the buyers. Real estate and commercial development of land in Indonesian cities is closely related to macro-economic variables such as interest rates, money market and money-flow as opposed to the demand for land and housing by local consumers (along with their purchasing power as determinant of land and housing prices). This led to complex consequences whereby landlords can set extremely high prices to rent-seekers due to the scarcity of land and housing supply and their high demand. Moreover, even with rising wages, workers cannot keep up with the increase in rent, land and housing prices whereas landlords displayed their easily acquired wealth by indulging in conspicuous consumption. Indonesia's Urban Management

Program in 1989 affirms that the market mechanisms alone are unlikely to produce efficient allocation of land uses in cities. Therefore, interventions by the public sector is still necessary. Since the private sector is active in providing and/or sponsoring large scale urban land development for which the commercial banks extend soft loans, the local government's role is limited to regulating the developers' operations to prevent exploitation of people and land scams.

5.4 Unpredictable Political Regimes: Winners and Losers

The urban underclass is dubbed as a political commodity for politicians and officials. Politically, nongovernmental organizations took advantage of slum dwellers by radicalizing them against certain politicians through the issues of land use, landownership and evictions. In the case of Yogyakarta, when and how property rights evolve also depend on political factors. In the case of the Code riverbank community, the need to involve leaders from outside the community to mediate and connect with higher-level authorities to secure land use and tenure rights and to organize and mobilize citizens became pertinent for social transformation and slum revitalization.

5.5 Integration Policies, Unintended Consequences and Adverse Incorporation of Indonesia's Urban Poor

Internal and external constraints only increased the difficulty of revitalizing slums and transforming the community. Internal constraints were numerous, including

cultural and psychological barriers such as apathy toward authority, outsiders and the city's mainstream identity; subversion of middle-class values; resistance to the professional culture; and delinquencies and deviancies in behavior. Social and economic factors included lack of leadership; lack of institutions and organizations within the community; ethnic and class rivalries; low purchasing power; lack of access to monetary resources and the banking system; and nested power relations and social and economic disparity within the community. Political factors included lack of opportunity and place to voice concerns; lack of access to authority and decision-making power; and lack of access to labor unions and political parties. External factors that impeded the revitalization of riverbank slums included discrimination, stigma, fear and alienation by the outside community; the absence of social and legal protection of their land, housing, economic activities and basis for economic production; and economic and political exploitation by the outside community. Beginning with advocacy and proceeding with attempts to empower and establish community sovereignty, there was the need to actively engage multiple stakeholders in revitalizing the slum riverbank community. The government, the private sector and civil society groups all had important roles to play. The private sector, with its interest in profit acquisition and the commercialization of resources, provides the riverbank community with financial resources, vocational education, knowledge, skills, technology and access to economic bases such as cooperatives for savings and loans, and commercial banks for local economic development

5.6 Best Practices from Indonesia

All of Indonesia's urban poor, including those in Jakarta's riverbank community, are marginalized and lack access to the nation's social, economic and political resources. They are socially rejected, culturally undermined, economically exploited and politically suppressed by the dominant majority of the country's population. They are on the bottom of the social ladder. An initial step to empower, protect and integrate them is the acknowledgment of the social and political structure and respect for their role and participation in shaping the country's landscape. There is the need to formally acknowledge and protect their place and identity in the country's social and political realm.

5.7 Recognition and Validation of Urban Poor by Officials and the Public

Beginning with advocacy and proceeding with attempts to empower and establish community sovereignty, there was the need to actively engage multiple stakeholders in revitalizing the community. The government, the private sector and civil society groups all had important roles to play. The private sector, with its interest in profit acquisition and the commercialization of resources, provided the community with financial resources, vocational education, knowledge, skills, technology and access to economic bases such as cooperatives for savings and loans, and commercial banks for local economic development. The government, with its goal of economic and infrastructure development, was

in charge of local and regional policies and legislation, and imparted land use and strategic development plans, created laws and governed, educated and mobilized the community through programs and projects. The municipal and provincial governments established partnerships with the private sector due to the national government's lack of resources, skills and experience in the commercial sectors. Non-governmental organizations, whose interests were making money, participating in regional development and improving the living standards of the riverbank community, provided community members with knowledge, skills, organizational networks, access to national and international networks, and access to political and economic resources. Nonetheless, nongovernmental organizations still needed to collaborate with the private sector to acquire commercialization rights, experience and expertise in undertaking community development programs.

5.8 Practices in Public Private Partnership for Infrastructure Provisioning

Short political tenure, rent-seeking behavior and putting on a good spin in government-led construction and project management schemes are part of the problems relating to institutions, bureaucracy and agency in PPP. Entrepreneurial mindset, service-oriented reasoning (as opposed to infrastructure based, asset-based and ownership-based thinking), and whole life-cycle approach are important to adopt and implement in construction, maintenance, operation and finance.

As well, solid umbrella policies, mandates and technical guidelines at the national and subnational levels; effective interagency coordination and cross-jurisdictional authorities; as well as accountability-driven institutions and stern monitoring by the public are required for successful PPP in infrastructure provisioning for a healthier and more sustainable environment. Public-private partnerships are unavoidable due to lack of government funding for the construction, operation and maintenance of massive infrastructure facilities vital in sustaining public interests and livelihood such as sewerage, drinking water pipes, electricity and roads and telecommunications. Writing the contract in terms of the flow of services from the infrastructure rather than the process of construction can change the incentive system (Sorensen, 2017). If, for example, the same entity is responsible for both construction and supplying the services, but is remunerated only for the successful provision of services of a suitable quality, it is important for the entity to build the correct facility, get the processes of delivery right, and curtail costs while not sacrificing quality (Sorensen, 2017). Rendering the length of the contract into shorter terms with clear benchmarks, targets, expected standards and monitoring and evaluation methods will also help to alleviate intractable conflicts which can easily spiral amidst differences in perception relating to risk management. Finally, risk management strategies are needed in public-private partnerships.

There is the need to deliver private finance which meets the risk-reward requirements of private financiers and suppliers of risk capital (Sorensen, 2017). First, they spread

risks across a number of participants (sponsor, constructor, suppliers and financiers). Second they are mechanisms for monitoring risks, and the explicit incorporation of risk premium by private investors aids by making project risks more apparent. Instead of being interested only in the construction contract and the first couple of years of a project, the facilitators are now servicing the asset throughout its life.

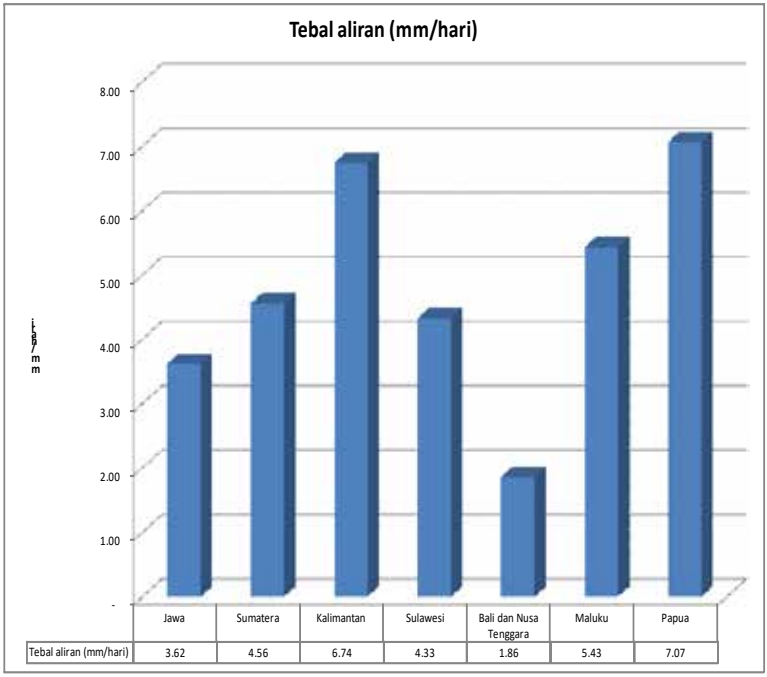

Figure 5 Volume of Water Reaching the Population in the Various Islands per Day

Kementerian PU, Dirjen Sumber Daya Air, Usulan Renstra 2020-2025 - Pembangunan dan Rehabilitasi Air Baku, Jakarta, Indonesia

5.9 Conclusion: Platforms and Institutions for Networking and Engagements

The civil society is a dynamic non-governmental system of interconnected social economic institutions that straddle the city and that have complex effects that are felt in its four corners. Civility is shared in this context: the peaceful negotiation of shared social meanings. In Indonesia's urban areas, there are however very few professional associations compared to the huge number and variety of NGOs which are active. involves turning away altogether from formal politics at state and international level to the democratization of everyday life. Deliberative participation in the city is the strategy to democratize national and local political institutions and to establish popular consultations and dialogues over the content of their policy agendas and policy making processes. This leads to the structural transformation of the public sphere. The conditional globalization movement involves working through internationalizing states to alter conditions of democratic engagement within and across borders. This arose due to the difficulties for achieving deliberative participation. In Indonesia's urban fringe areas social movements form publics, problematize taken for granted ways and develop knowledge and alternatives through discussions and debates. As well, this is influenced by cultural politics.

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Biographies

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Astrid lectures at Universitas Bakrie's Political Science Department and the School of Government and Public Policy, Indonesia. She holds a PhD in governance and public policy from the University of Melbourne and an MSc in environmental policy from Wageningen University. She researches with ISEAS Yusof Ishak Institute in the field of sociology and the sociology of economics. Her expertise is in sociology, governance and public management. She is a consultant for the various donors and national ministries, including the Ministry of Villages and MSMEs.

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Sandra Madonna lectures undergraduate programs at Department of Environmental Engineering, Bakrie University, Jakarta for several courses such as solid and hazardous waste management, Environmental Biotechnology, Environmental Chemistry etc. She obtained her degree of master Environmental Engineering from Department of Environmental Engineering Institut Teknologi Bandung (ITB) in 2003 in contaminated soil Bio-remedition as thesis topic study, and currently Sandra has been studying at the environmental engineering doctoral program at Institut Teknologi Bandung (ITB). Sandra's research is focused on environmental management and environmental biotechnology. She conducted many research projects and published scientific papers related to environmental management. Sandra carries out social activities on community service such as disseminating information and knowledge, especially regarding environmental conservation in the community, knowledge and application of appropriate technology in the field of Sanitation and Public Health, by aligning it with existing programs in the community.

Nur Hamidah Panca Murti

Panca is a nickname. She is the fifth child of six siblings, born in Jakarta on December 9, 2002. Her previous educational journey began as a graduate at SD Negeri Pela Mampang 11 in 2015, then graduated from SMP Negeri 43 Jakarta in 2018, and graduated from SMA Negeri 28 Jakarta in 2021. She is an active student at Bakrie University's Political Science Study Program, concentrating on Public Policy. It is an honor to be involved in writing this book, which is my first work in writing a book. The hope is that this book can be the first step to start doing other things. Hopefully, this book can be helpful for all who read it.