

**DEVELOPING ASSET MANAGEMENT SYSTEM FOR PUBLIC HOUSING
PROVISION IN INDONESIA
CASE STUDY: LOW COST RENTAL FLAT PROGRAM, 2005-2009**

MASTER THESIS

**A thesis Submitted in partial fulfillment of the requirements for
The Master Degree from University of Groningen and
The Master Degree from Institut Teknologi Bandung**

BY:

MUHAMMAD RIZAT ABIDIN

RuG: S2124084

ITB: 25410068

SUPERVISOR:

**Dr. JUSTIN BEAUMONT (RUG)
Dr. Ir. IWAN KUSTIWAN, MT (ITB)**

DOUBLE MASTER DEGREE PROGRAMME



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UNIVERSITY OF GRONINGEN
AND
DEVELOPMENT PLANNING AND
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SCHOOL OF ARCHITECTURE, PLANNING AND POLICY DEVELOPMENT
INSTITUT TEKNOLOGI BANDUNG**



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Faculty of Spatial Planning
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and
Development Planning and Infrastructure Management
School of Architecture, Planning and Policy Development
Institut Teknologi Bandung

Approved

Supervisor
Date: August 2012

Supervisor I

Dr. Justin Beaumont
RUG Supervisor

Supervisor II

Dr.Ir. Iwan Kustiwan, MT.
ITB Supervisor

ABSTRACT

The impact of urbanism creates land scarcity because of imbalance between supply and demand of urban land. Urban density, the increase of housing demand and massive land utilization generate high land price and housing price as well. Therefore, maximize land utilization becomes a core of strategic thinking that has to be owned by government who has a power to determine the housing and settlement policies. Indonesia as a developing country is still striving to overcome the slum area and decent housing, particularly for low-income groups. Indeed, City is owned by everyone, so slum people and other low-income groups have a right to the city within enjoying development results and its facilities and infrastructures, including decent living places in urban, so they cannot be driven out arbitrarily from city by the government. These are as challenges and opportunities of government in providing the best housing services for the poor. Multi-storey housing is deemed by government becomes the best alternatives at this time to deal with the increase of urban land value and population density. This is because this kind of housing will create efficient land and infrastructures utilization, environmental care and produces housing pattern, which is better organized rather than conventional housing.

Therefore, government makes seriously a multi-storey housing plan, through the issuance of laws and national regulations, several of them are law No.16/1985 about multi-storey housing development and its renew law No.20/2011. To realize the strategy of multi-storey housing above, furthermore central government determines the policy of multi-storey housing development in the National Middle Term Development Plan 2004-2009 in which central government plans to build 60.000 units of rental flat (Presidential Regulation No.7/2005, Annex 33, p.71). The Middle term Development plan is as evidence that public housing has become national issue that has to be handled.

To execute the mandate of National Middle Term Development Plan above, Directorate General Human Settlement (DGoHS), Ministry of Public Works is responsible to implement the policy of multi-storey housing development besides Ministry of Public Housing. DGoHS makes Program and Strategic Plan in term of 2005-2009, in which this plan aims to build 30.000 units of *Rusunawa (Rumah Susun Sederhana Sewa)/Low Cost Rental Flat*. Actually, DGoHS has launched *Rusunawa program/low cost rental flat program since 2003* but implemented effectively in 2005. *Rusunawa* is a flat, which is occupied by low-income groups who are not able to buy and rent a decent housing,

and for who are living in slum areas such as the poor households, labors and students, thereby urban renewal expected will be created. This flat can be said also as a public housing that is leased to the poor.

However, from the implementation of Rusunawa program in term of 2005-2009, DGoHS only built 18.653 units of Rusunawa Building from targeted 30.000 units, which were stated in the program and strategic Plan of DGoHS (DGoHS, 2009). It means there are gaps of 11.347 units of Rusunawa building that are not successfully built and then from 18.653 units are only 12.148 units occupied. Therefore, overall in term of 2005-2009 there were still 6.505 units of Rusunawa building without occupants. One of its several causes is not done yet asset transfer the Rusunawa building from central government to local government. This condition also causes to higher maintenance cost that is taken from national budget. Besides, the impact of this problem to the low-income groups who will live in the Rusunawa building is more becoming neglected.

From those problems above, it seems that all tiers of governance are not well prepared and hasty in transferring and handover national asset to be local asset. Commitment issue and mismanagement between all tiers of governance affects the success of Rusunawa program. Therefore, the main objective of this research is to identify the cause of ineffectiveness in transferring national assets to be local asset. In addition, I also want to investigate a kind of strategy of asset transfer and asset management of public housing/low cost rental flat after decentralization era in Indonesia.

By knowing the main cause of ineffectiveness in transferring low cost rental flat and a kind of concept of asset management, the utilization of low cost rental flat will be promptly inhabited by the poor and maintenance of low cost rental flats can be operated effectively as well.

Keywords: Slum, Public Housing, Low Cost Rental Flat, maintenance handover, Asset transfer, asset management system

GUIDELINE USING THIS THESIS

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PREFACE

Providing an eligible shelter for all people has become the main agenda in the worldwide, especially developing countries, which are faced slum challenge due to unpreparedness of urbanism impact. In line with limited urban land provision, nowadays, the development policy for slum people and other low-income groups is as the best alternative to deal with the increase of urban land value and population density. Indonesia as one of the third world countries, has released Low Cost Rental Flat program, or better known as *Rusunawa/Rumah Susun Sederhana program* since 2003, within authorized by Ministry Public Works, yet the ineffective implementation of this program still meeting until now. Many Rusunawa buildings cannot be occupied immediately because of not conduct yet maintenance handover, also asset transfer from national to local government. It seems that all tiers of governance are not well prepared and hasty in transferring and handover national asset to be local asset. Commitment issue and mismanagement between all tiers of governance affects the success of Rusunawa program. I really concern about this issue and take asset management system for public housing provision as my topic thesis. This thesis aims not only a to fulfill the requirement of my master degree, but also contributes to planning practice in my country. I hope this thesis would convey inspirations and positive inputs for all stakeholders who engage within development to achieve a large social welfare.

Through this preface, I would like to express my gratitude to some of the people who have contributes their time, effort and ideas, which have aided the completion of the thesis. First of all, I would like to express my greatest gratitude to Allah SWT almighty. Secondly, I also give my highest appreciation to Dr. Justin Beaumont and Dr. Ir. Iwan Kustiwan, MT as my thesis supervisors for their valuable support, advice and encouragement and critics. Thirdly, to Dr. Johan Woltjer and Dr. Terry Van Dijk as the coordinators of Double Degree Master Program at RUG, and to all lecturers and staffs of the Environmental and Infrastructure Planning, Faculty of Spatial Planning-RUG and Development Planning and Infrastructure Management of SAPPK-ITB for their support, knowledge, and all academic facilitation. Fourthly, I also give my thankful to Netherlands Education Support Office (NESO) and Bappenas for granting me scholarships and an opportunity to study at qualified universities, and to Ministry of Public Works for giving me precious working experiences. Next, I also express my gratitude to Mrs. Nieke Nindyaputri and Mr. Afriandi Pohan as interviewees for their useful information and to all my friends, the members of DD ITB-RUG 2011 for sharing, great moments in Bandung and Groningen.

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Groningen, August 2012

Muhammad Rizat Abidin

ABBREVIATIONS

ADD	: Disability Discrimination Act
AMI	: Area Median Income
APBD	: <i>Anggaran Pendapatan Belanja Daerah</i> /Local Budget
BBSH	: <i>Besluit beheer sociale huursector</i> /Social rented Management Order
EB	: <i>Badan Pengelola</i> /Executing Board
EU	: European Union
DGoHS	: Directorate General of Human Settlements
DoPD	: Directorate of Program Development
FDS	: Financial Document Schedule
Has	: Housing Associations
HUD	: Housing and Urban Development
IAP	: <i>Ikatan Ahli Perencana</i> /Planners Organization
IMB	: <i>Ijin Mendirikan Bangunan</i> /Building Permit
MDGs	: Millennium Development Goals
MoA	: Memorandum of Understanding
MoF	: Ministry of Finance
PBM	: Project Based Management
PEL	: Project Expense Local
PERDA	: <i>Peraturan Daerah</i> /Local Regulation
PHA	: Project Housing Association
PHAS	: Project Housing Agreement System
POKJA	: Kelompok Kerja/Working Group
PPPSRS	: <i>Perhimpunan Pemilik dan Penghuni Satuan Rumah Susun</i> /Association of Unit Multi-Storey Housing Owners and Occupants
PSD	: <i>Prasana dan Sarana Dasar</i> /Supporting Infrastructure

- Rusunawa: Low Cost Rental Flat
- RKAKL : *Rencana Kerja Anggaran Kementerian/Lembaga/Ministerial Budgeting Plan*
- RPJMN : *Rencana Pembangunan Jangka Menengah Nasional/National Middle Term Development Plan*
- RPJMD : *Rencana Pembangunan Jangka Menengah Daerah/Local Middle Term Development Plan*
- RPIJMD : *Rencana Pembangunan Investasi Jangka Menengah Daerah/Local Middle term Investment Development Plan*
- Satker : *Satuan Kerja/Working Unit*
- SWOT : Strengthens, Weakness, Opportunity and Threat
- TP : *Tim Pelaksana/working Team*
- UN : United Nation

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Chapter 1

Introduction

1.1 Background

Before further discussing the background, the research describes firstly overall focus and aim of the research. The main aim of this research is to identify the cause of ineffectiveness in transferring national assets to be local asset. In addition, I also want to investigate a kind of strategy of asset transfer and asset management of public housing/low cost rental flat after decentralization era in Indonesia.

Having a home is one of the basic human needs. Therefore, housing is a right that is recognized in the 25th article of Universal Declaration of Human Rights *"everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control"* (United Nations, 1948). Housing is also *"one of the most important sectors of the economy- in developing countries as in richer ones- with large positive externalities in terms of economic growth, public health and societal stability"* (Jha, 2007). In globalization, people tend to live in the city because of the attractiveness of the city itself, therefore, urbanism contributes to the population density. Based on his own calculation, UN Habitat (2001) predicts bravely 60% world's population will live in the city by 2030. This condition needs sustainable concept that takes into account seriously the land, water and environment in each development program.

Maximized land utilization becomes a core of strategic thinking that has to be owned by government officers who have a power to determine the housing and settlement policies. However, in fact there are still many slum areas in the worldwide, particularly in developing countries. The impact of urbanism creates scarcity of land because of imbalance between supply and demand of urban land. Urban density, the increase of housing demand and massive land utilization generate high land price and housing prices as well. All these are suitable with El Araby (2003) statement who mentioned that the increase of land demand for housing is affected by population increase, urbanization growth and inequality between supply and demand for housing. Therefore, the market-housing price in the city center has led to a rapid rise of land prices (Firman, 1997).

Indonesia as a developing country strives to overcome the slum area and provide decent housing,

especially for the low-income groups. Indeed, city is owned by everyone, so slum people and other low-income groups have a right to the city within enjoying development results and its facilities and infrastructures, including decent living places in urban. Thus, they cannot be driven out arbitrarily from city by the government as like stated by Harvey in his recent article emphasized on *the kind of collective right*, called '*the right to the city*', to change or reshape the city more after personal desire.(Harvey, 2008, p.1). Change the city should depend upon the exercise of a collective power rather than an individual right, so they cannot be driven out arbitrarily from city by the government. These are as challenges and opportunities of government in providing the best housing services for the poor. Besides, Arthur O'Sullivan (2003) said that one of three housing policies given by central government is through housing assistance. It means that central government has to determine some policies to provide eligible housings, improve the housing conditions and to push the housing cost for the poor. Multi-storey housing development deemed by government becomes the best alternatives at this time to deal with the increase of urban land value and population density. This is because multi-storey housing development will generate efficient land and infrastructures utilization, environmental care and produces housing pattern, which is better organized rather than conventional housing.

Therefore, government makes seriously a multi-storey housing plan, through the issuance of law No.16/1985 about Multi-storey housing and its technical regulation; Government Regulation No.04/1988. Within law No.16/1985 stated that Multi-storey housing development is based on the social welfare principle, justice and equity, balance and harmony in social interaction. In addition, this Act also describes that beneficiaries of the multi-storey housing development are low-income groups who are not able to buy and rent a decent housing and government ensures the legal certainty in housing utilization.

Moreover, government of Indonesia also has released the Ministerial Decree of Housing and Settlement No.04/KPTS/M/1999 regarding National Policy and Strategy of Housing and Settlement as a starting point in answering the housing demand for low income groups as well as the increase of urban land price. One of the some strategies is to boost multi-storey housing and settlement development in the cities and metropolitan regions, which have high rates of population density and slum areas. Vertical housing development expects to give positive affects to the level of urban land efficiency and to the subsidiary of housing price as well.

To realize the strategy of multi-storey housing above, furthermore central government determines the policy of multi-storey housing development in the National Middle Term Development Plan

2004-2009 in which central government plans to build 60.000 units of rental flat (Presidential Regulation No.7/2005, Annex 33, p.71). The Middle term Development plan is as evidence that public housing has become national issue that has to be handled.

To execute the mandate of National Middle Term Development Plan above, Directorate General Human Settlement (DGoHS), Ministry of Public Works is responsible to implement the policy of multi-storey housing development besides Ministry of Public Housing. DGoHS makes Program and Strategic Plan in term of 2005-2009, in which this plan aims to build 30.000 units of *Rusunawa (Rumah Susun Sederhana Sewa)/Low Cost Rental Flat*. Actually, DGoHS has launched *Rusunawa program/low cost rental flat program* since 2003 but implemented effectively in 2005. *Rusunawa* is a flat, which is occupied by low-income groups who are not able to buy and rent a decent housing, and for who are living in slum areas such as the poor households, labors and students, thereby urban renewal expected will be created. This flat can be said also as a public housing that is leased to the poor.

Since the decentralization era in 1999, local governments have had autonomy right to conduct and manage their own government's structures, planning and development agendas. Autonomy right is strengthened with the Regional Administration Act No.32/2004. The regional autonomy is "rights, authorities, and obligation of autonomous administration unit to regulate and manage their own administration affairs and local citizen interests based on Act and national regulations" (Regional Administration Act, 2004, article 1). Moreover, local governments are obliged to plan and control the development including the provision of public facilities and infrastructures (Regional Administration Act, 2004, Article 14). Actually, according to the Regional Administration Act above, public housing affairs at the local level are the responsibility of local governments in giving services to the community.

However, in the running administration and program development, local government still needs funding and program assistances from central government. Thus, the principle implementation of *Rusunawa* program is sharing responsibility between central government and local government. Central government through third party develops physical building and local governments continues to equip the basic facilities, such as electricity, clean water, sanitation; to determine the rental flat price/unit; and also to arrange the building management system (DGoHS, 2009, p. 31).

1.2 Research Problem

From the implementation of Rusunawa program in term of 2005-2009, DGoHS built 18.653 units of Rusunawa Building from targeted 30.000 units, which were stated in the program and strategic Plan of DGoHS (DGoHS, 2009). It means there are gaps of 11.347 units of Rusunawa building that are not successfully built and then from 18.653 units are only 12.148 units occupied. Therefore, overall in term of 2005-2009 there were 6.505 units of Rusunawa building without occupants. One of its several causes is not done yet asset transfer the Rusunawa building from central government to local government. This condition also causes to higher maintenance cost that is taken from national budget. Besides, the impact of this problem to the low-income groups who will live in the Rusunawa building is more becoming neglected.

1.3 Research Objective

According to the research problem above, it seems that all tiers of governance are not well prepared and hasty in transferring and handover national asset to be local asset. Commitment issue and mismanagement between all tiers of governance affects the success of Rusunawa program.

Therefore, the main objective of this research is to identify the cause of ineffectiveness in transferring national assets to be local asset. In addition, I also want to investigate a kind of strategy of asset transfer and asset management of public housing/low cost rental flat after decentralization era in Indonesia.

By knowing the main cause of ineffectiveness in transferring low cost rental flat and a kind of concept of asset management, the utilization of low cost rental flat will be promptly inhabited by the poor and maintenance of low cost rental flats can be operated effectively as well.

1.4 Research Question

I develop several main research questions to support the research objectives above:

1. To what extent the Rusunawa development built in term of 2005-2009 were not able occupied yet because of asset transfer problem from national toward local government?

Firstly, this research will give detail picture how the Rusunawa program had implemented in term of 2005-2009. As mentioned before, there are 6.505 units of Rusunawa building without occupants from the 18.653 units built. From the total number of 6.505 units, there will be analyzed how many building units are without occupants because of the maintenance and asset transfer problem?

2. How does process ideally the handover process of Rusunawa building from central government to local government according to the technical guidance of Rusunawa program?

This question is to illustrate the theory of implementation process of Rusunawa development since pre-development (determining the local feasibility to acquire the assistance of Rusunawa program) until asset transfer process.

3. How did the handover of Rusunawa building have implemented from central government as national's asset become local government asset?

Following the third question, I want to relate the mechanism and criteria of Rusunawa program since planning until handover of Rusunawa building from central government to local government with the maintenance and asset transfer problem. In this way, I will know in which part of the ideal mechanism and criteria of Rusunawa program does not achieve based on the guideline of Rusunawa program. This analysis also is carried out to measure the task and responsibility of national and local government since pre-construction (planning, contract, and design), construction and post-construction.

4. How could public housing asset management system conducted in Indonesia?

The research will develop a kind strategy of housing asset management system in Indonesia that is created from several journal sources and lesson learnt for other experiences and practices.

1.5 Structure of Report

The structure of report is constructed in six chapters. Firstly, chapter one supplies information about the background, research problem, research objective, research question and structure of report itself. This chapter is the base information to introduce the focus and aim of the research. The second chapter elaborates the theoretical framework as well as the research framework. Several theories, definition, principles, concepts and practices about the public housing development, asset transfer and asset management are discussed here.

Moreover, the third chapter is methodology, which is used as the base of method being used to answer the key research question and build data requirement. Those methodological analyses will be explained comprehensively in this chapter. Next, Chapter four shows a case study: Rusunawa (*Rumah Susun Sederhana Sewa*) Program/Low Cost Rental Flat Program in Indonesia in term of 2005-2009. This chapter explores the concept of implementation of Rusunawa Program since pre-development, construction until handover of Rusunawa building from national government as a

national asset become a local government asset. This chapter also shows the implementation of the program.

In addition, the fifth chapter is the analysis of asset management of Rusunawa building. Chapter five studies the implementation of Rusunawa asset management and find the answer of research question. Finally, chapter six is conclusion and recommendation. In this chapter concludes, summaries the research and provides recommendation regards to asset management system for managing public housing in Indonesia.

Chapter 2

Public Housing Definition, Benefit of Asset Management and Asset Management Theory

The theory of strategy and framework asset management developed by Gruis et al. (2004a) by using basic theory of business planning by Kotler (1997), is used as a basic comparative on asset management system strategy by the Netherlands government. He also used his theory to evaluate the implementation of asset management in the Netherlands, not proposing a strategy to be used and developed by the Netherlands government. In general, Gruis (2005) assess that the performance of Housing Association as the single actor in the implementation of public housing management system in the Netherlands still need to be improve. There are some elements in the strategy and asset management framework that has not been as expected. *“According to business planning theory, formulating goals can contribute transparency and to achieve organizational strategies. Because of Housing Associations do not formulate target their social performance, and there is little insight into the associated economic losses, they are unable to make transparent deliberations between social and financial returns” (Gruis, 2005, p.1790-1791).* The effectiveness and efficiency of Housing Associations that runs the public housing management in the Netherlands also has been questioned by Priemus (2003). *“Though most people feel that Dutch Housing Associations are run effectively, there are no data to underpin this conclusion. The government is not clear about the criteria for each housing association: most of the criteria are unquantified and, to some extent, contradictory” (Priemus, 2003, p.1).*

Therefore, this research aims to explore the theory of asset management developed by Gruis et al. (2004a). Before explaining the theory further, at the beginning the definition of public housing, asset transfer and asset management will be explained in section 2.1, followed by explanation some activities of public housing management in section 2.2. Furthermore, section 2.3 describes the advantages of public housing management and continued with section 2.4 that applies information regarding to the main actors. In section 2.5, the research informs some characteristics of strategic asset management for public housing development. Finally, the last section 2.6 explains the strategic and framework of asset management process.

2.1 Definition

Rusunawa/Low cost rental flat housing constitutes as one of public housing programmed by central government. In other countries, housing for public is defined in some terms such as social housing,

low-income housing, affordable housing and social rented sectors. For further, this sub-chapter defines some terms of public housing and its similar meaning.

2.1.1 Public housing

The term of public housing is used in the U.S to supply housing for the poor. Central government through authorization of Department of Housing and Urban Development defines the public housing to provide decent and safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Public housing comes in all sizes and types, from scattered single-family houses to high-rise apartments for elderly families (www.portal.hud.gov). Hence, provision of public housing made by government allows government itself to fund, build and own homes to be rent by poor citizens. This public housing is not only aimed to improve abhorrent living condition but also to stimulate the economy by creating jobs in construction and related industries (Smith et al, 2006).

In addition, Welch et al (2005) in his journal articles said that public housing constitutes housing units owned and operated by the government or housing authority and typical houses especially low income families (those making 30% or less of the area median income). Public housing dwellers pay the rent based on income with a minimum of US\$25.00 until US\$. 50.00 to 30% their monthly income.

2.1.2 Social Housing

As mentioned by Arthurson (2007), there is no single formal definition of social housing but definitions may relate to ownership, notably non-profit organizations and local authorities; who constructs the dwellings; whether or not rents are below market levels; the relevant funding and/or subsidy stream; and most importantly, the purpose for which the housing is provided. In some countries, social housing is formally available to all households but in most, it is actually directed to people who cannot serve their own housing needs.

2.1.3 Affordable Housing

In Australia, the term of affordable housing is commonly used to supply housing for the poor. Disney (2007) in his writing describes the notion of affordable housing is housing which is reasonably adequate in standard and location for lower or middle-income households and doesn't cost so much that such a household is unlikely to be able to meet other basic living cost on a

sustainable basis. This definition includes owner-occupied housing as well as rental housing that is owned by governments, nonprofit organizations, corporations or individuals.

Low-income housing is housing for whose mortgage or rent cost doesn't exceed 30% of household income, excluding units that are moderately or severely inadequate. Low income housing is designed to low-income families who have incomes per month less than 80% of the Area Median Incomes (AMI) (Johnson, 2007).

2.1.4 Social Rented Sector

There are some elements that could be define in term of social rented sector according to Priemus (2007), there are,

- Frequently, its housing is built with the assistance of state finance.
- Its housing is subsidized by central government.
- Its principal and administrator are either the local council or non-profit organization operating under supervision of government.
- Its rents are held below market level (housing need > housing demand).
- Its dwelling is intended for, and largely occupied by low-income household.

Based on the diverse terms above, we can take common conclusion that all definitions have similar meaning. The main beneficiaries of public housing are low-income people/households/families or for the poor who are not affordable to buy and even rent market housing in the free market (Lux, 2001).

2.2 Public Housing Management

Public housing has a different market orientation from market housing either its target groups or its profit orientation. Public or social housing is non-profit and public orientation (Lux, 2001), whereas as we know, market housing focuses on market demand and gains profit as much as possible. Therefore, the management of public housing development is important to produce good quality and sustainable development. Public housing or social housing management is defined as *“all set of activities to produce and allocate housing services from existing social housing stock”* (Primeus et al., 2007).

Generally, there are several activities that become the basis of housing management as described below:

- *Technical management*; regards to maintenance, renovation, demolition, enlargement, restoration, the subdivision and merger of housing units.
- *Social Management*; deals with future and sitting tenants through marketing, information provision, communication, stimulation of tenant participation, housing allocation, selection of target groups, the conclusion, change and completion of tenancy agreements and finally the clearance of dwellings.
- *Financial Management*; includes housing finance, borrow and lend money, treasure management and rent policy.
- *Tenure management*; reflects to buy and sell properties, to adopt mixed and experimental tenures such as forms of sheltered ownership or tenants' ownership of the interior of their dwellings (Primeus et al., 2007).

2.3. The Advantages of Asset Management

In general, many advantages are obtained from applying asset management system, in both technical and financial aspects. In England, Department for Communities and Local Government (2008) sets out some benefits within adopting asset management system, some of them are:

- Deliver exceptional services for citizens, aligned with local agreed priorities, whilst focusing investment clearly on need;
- Empower communities and stimulate debate;
- Improve the economic well-being of an area;
- Ensure that, one built, asset are correctly maintained;
- Introduce new working practices and trigger cultural organizational changes;
- Reduce carbon emissions and improve environmental sustainability;
- Increase co-location, partnership working and sharing of knowledge;
- Improve the accessibility of services and ensure compliance with disability Discrimination Act (ADD) 2005;
- Generate efficiency gains, capital receipts, or an income stream; and
- Improve the quality of the public realm.

2.4 Actor in Asset Management

After housing reforms introduced in 1990's, almost all countries of the EU increased reliance on private capital to finance public or social rental housing construction and regeneration. Actually, many types and actors engage within provision of public housing in the EU; state, municipalities,

housing cooperatives, non-profit housing association and private sectors (Lux, 2001). For example, in the Netherlands, since housing policy reforms in 1990's state has given authority to the Housing Associations (HAs) in financing independently the social housing provision. It means that all subsidies from state are abolished.

As registered social housing organizations, HAs constitute a private non-profit organization (association and foundation) which has legal responsibilities to develop social housing for low-income households. Association makes profit but it gives back to housing and acquires the necessary funding from the government to build and arrange the housing. Therefore, HA is almost no financial risk (Erdoğan, 2008). HAs constructs based on registration and is permitted to conduct business market for higher income groups but still supervised largely by state (Pittini, et al., 2011). Therefore, although Housing Association has autonomy to set its own business objectives, it obliges to act public tasks as laid down in the Social Rented Sector Management Order (BBSH 1993, in Dutch) (Gerard van Bortel et al., 2007). Some public tasks that have to be conducted by Housing Association are as shown in the table 2.1 below:

Table 2.1

Public Tasks for Housing Association, now and in the near future

Current public tasks (BBSH, 1993, adapted to 2002)	Public tasks, announced in the Housing Memorandum (2000)
1. Ensure financial continuity	1. The promotion of home ownership and management, in particular among lower-income groups
2. Tenant involvement in management and policy	2. Raise the levels of residents' participation in housing and residential environment issues, both in new housing developments and in the management of existing buildings
3. Promote the quality of the housing stock	3. More differentiation in the housing supply and improvements in the quality of housing
4. Priority to tenants in a vulnerable position	4. The creation of accommodation opportunities for the homeless, asylum-seekers, people who sleep rough and others in a vulnerable position
5. Investment in the quality of the housing environment	5. Raise the quality of the residential environment in districts and neighbourhoods and strengthen social cohesion
6. Provide housing and care arrangements	6. Strengthen the cohesion between housing and care services and broaden the range of housing services
	7. Improve the chances of success and widen the choice for home-seekers with a modest income
	8. Limit the housing costs for lower-income groups
	9. Develop sustainable, adaptable and energy-saving housing and residential environments
	10. Improve the workings of the housing market

Source: Priemus, 2003, p.272

Public tasks in table 2.1 stemmed from BBSH of 1999, is a part of Housing Act. In 2000, The Housing Minister has been announced a new Housing Act with a new public specification public tasks for housing association.

Ideally, for the coming years local authority and housing association make an agreement as a legal performance contract which quantifies the public tasks of the housing association. Despite no precise data to confirm the successfulness of housing association in running public tasks, at least state has established for public tasks policy in its Housing Act (Priemus, 2003).

2.5 Characteristics of Asset Management

Strategic asset management has the main role and requires producing social rented housing sector effectively. In some literatures, strategic asset management has strong correlation with strategic business planning. Originally, strategic business planning always used in the private sectors but in line with housing market development which also has been applied in the management of public organization (Bryson, 1995).

Table 2.2
Characteristics and Indicators of Strategic Asset Management for Public Housing

Characteristic of strategic asset management	'Indicator' of occurrence
Market-oriented	Rents, allocations, sales, maintenance and renewal are related to tenants' preferences, market demand and financial return/opportunities
Systematic	Frameworks for decision-making and (structured) planning processes are applied
Comprehensive	Goals are formulated for the development of the entire housing stock and individual estates are analysed in relation to each other
Proactive	Investments and other activities anticipate threats and opportunities

Source, *Gruis et al., (2004b), p. 1234*

From table 2.2 reveals some characteristics of strategic asset management, which inform as follows:

The form of business planning is summarized to four characteristics: *Market-oriented, systematic, comprehensive and proactive* (Gruis et al, 2004b). Further explanation of those strategies described as follows:

- **Market-Oriented.**

Asset management in the social rented sector is concerned with fulfilling a housing demand by offering a housing supply and in that sense it is market oriented definition. The occurrence of market orientation can be reflected in the various activities of social landlord's asset management: The rents (increases); allocation; sales, maintenance; renewal activities are related to tenants' preferences, market demand and financial return/opportunities.

- **Systematic.**

The strategic business planning stresses to the rational framework for transparent decision-making and (structured) panning process for formulating asset management strategies.

Therefore, Asset management decisions have a large influence on the quality, affordability and availability of dwellings that is being the key attention of public housing anywhere.

- Comprehensive.

Comprehensive asset management is not only focused on individual dwellings or estates but also reflected on the composition of the stock as a whole. Thus the objective of organization are formulated for development of the entire housing stock and individual estates are analyzed in relation each other.

- Proactive.

The final key characteristic of strategic asset management is a proactive approach. This proactive approach takes into account the anticipating threats and response the opportunities stemmed from the development in the housing market, housing policy and market position. This is in line with Ansoff's argument (1984) said that "*strategic planning is a systemic procedure for management which anticipates the challenge and prepares its responses in advance, based on examination of novel alternatives*" (Ansoff, 1994, p.XV).

To sum up, the characteristic and indicators of strategic asset management for public housing can be shown in this table 2.2 below:

Gruis et al. (2004a) summarized that strategic housing management at least tends to have systemic, market-oriented and dynamic characteristics. It means that strategic housing management is a systemic procedure of management that will analyze and anticipate its environment and have chance to be market-oriented. Hence, the strategy observes the opportunities and threats in sub-market housing, meanwhile public landlords are not allowed to hunt financial return primarily and restricted to offer public housing. However, within these boundaries, increased market orientation can benefit public landlords as well. Market orientation can help public landlords to realize a portfolio which is effective (in meeting housing demand and tenant's preferences) and economically efficient. Because of increased market orientation, landlords consider that their housing assets/stocks are not a static phenomenon, yet as a dynamic asset and unpredictable.

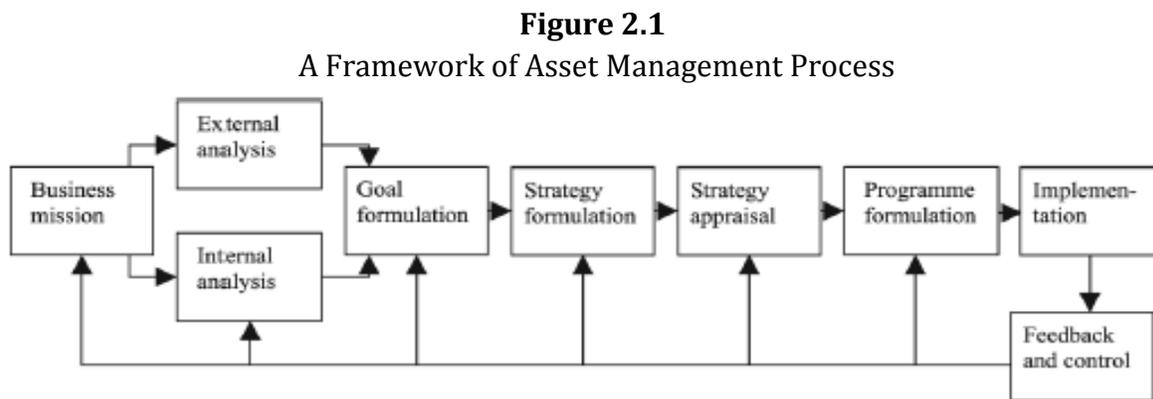
2.6 Framework of Asset Management Process

This research proposes a framework of the asset management for public housing taken from Gruis's et al. (2004a) journal article that developed an asset management from Kotler's (1997) general

model. They formulate the strategy with adding a strategy appraisal after the phase of strategy formulation in the framework of asset management process. They also said that;

“This appraisal phase is not mentioned in Kotler’s model but it plays in an important role in the strategic asset management of social landlords. In the appraisal, a check is made as to whether the strategies for each estate are realistic from, for instance, a financial and commitments to various stakeholders (especially tenants and local government), and whether the “sum” of individual strategies at estate level gives a desired result at the portfolio level. Based on all these checks, the strategies are confirmed, adjusted and refined” (Gruis et al. 2004a, p.211).

A framework of asset management process from re-development until post-construction phases can be seen clearly in figure 2.2 below,



Source: Extended Version of Kotler’s Model reported by Gruis et al. (2004a). p.211

From figure 2.2, explanation in each phase step from asset management process above is explored as follows:

- **Business Mission**

A business mission reflects to some directions about the type of product a company wants to create, the market on which these products should be traded and the method these products should be constructed (Gruis et al., 2004a). The business mission has to be arranged by government regulation. Mainly, a company or social landlord must focus its own business mission on the accommodation low-income groups.

Therefore, they propose the several decision factors that take into account in the business mission of strategic housing management. For further, the decision factors decided are as follows:

Table 2.3
Decision Factors in Strategic Housing Management

No.	Decision Factor
1.	Housing Market (Surpluses and shortages, market expectations)
2.	Lettability (turnover rate, vacancy, difficulty of reletting)
3.	Tenant involvement and tenant preference
4.	Policy environment (government regulations, agreement with other parties, neighborhood development plans)
5.	Estate characteristics (technical condition, equipment, location)
6.	Portfolio mix (present composition of the housing stock, regarding size, target groups and technical quality)
7.	Cost and revenues (discounted cash flow and market value)

Source: Housing Association De Combinatie, Rotterdam, by Gruis et al., (2004a) p.206

- External and Internal Analysis

The external environmental forces comprise of political, economic, social and technological development. Within analyzing in both external and internal factors, Gruis et al., (2004a) propose SWOT analysis: Strengths, Weaknesses, Opportunities, and Threats. The opportunities and threats deal with external environmental forces that have influence to the company's performance. The opportunities and threats derived from development in the housing market and policy. Moreover, the internal environmental forces consist of landlord's stock, financial position and organization. These in internal forces become to the strengths and weaknesses factor of a company or public landlord (Van den Broeke, 1998).

Gruis et al. (2004a) also categorize the housing market and policy development into macro and micro levels. At the macro level are central government interventions through regulations, subsidies and taxes, financial, socio-economic, and demographic development. Whereas at micro level concerns to the local market (local economy, population and migration) as well as the policies of local authorities, developers and other landlords operating in the local market.

Table 2.4
A landlord's SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<p><i>Product</i> On average good lettability, low rent arrears and relatively low turn-over rate High market share: 37 per cent of social housing stock in municipality Low rents</p> <p><i>Finance</i> The solvency meets the standards of the Social Housing Guarantee Fund, so access to capital market is guaranteed</p> <p><i>Capacity organisation</i> Enough capacity for professional management; membership of umbrella network of colleagues offers extra capacity for project and product development</p>	<p><i>Product</i> Little variety in housing stock (mainly cheap apartments) A large part of the stock is concentrated in the local regeneration areas Little variety in housing services (few special products such as alternative tenure contracts and care facilities) Relative poor price-quality rate</p>	<p><i>Market</i> High shortage of single-family dwellings Number of elderly and small households is increasing; a large part of the stock is suitable for these households There are enough dwellings for low-income households in the municipality; thus, there is some room for investments in more lucrative dwellings for higher-income households</p> <p><i>National housing policy</i> Potentially larger working-area for social landlords (mainly in housing and care facilities and additional housing services)</p> <p><i>Local housing policy</i> Less restrictive allocation criteria are being discussed, which may have a positive effect on the lettability of the stock</p>	<p><i>Market</i> Decreasing market for multi-family dwellings Higher-income households are leaving the city, which may lead to spatial segregation Little land for new developments</p> <p><i>National housing policy</i> Tax-reliefs for associations will be abolished Market activities will have to be more clearly related to social objectives</p> <p><i>Local housing policy</i> The municipality lacks a clear vision of housing on which long-term agreements can be based</p>

Source: Gruis et al., (2004a). P.207

- Goal Formulation

The results of the environmental analysis (external and internal forces) joined with the general objectives of the landlord give the basis for determination of measurable business goals. Therefore, public landlords can set their goals in various aspects connecting to key objectives in public housing. There are some aspects used in the determination of measurable business goals, namely (Gruis et al. (2004a)):

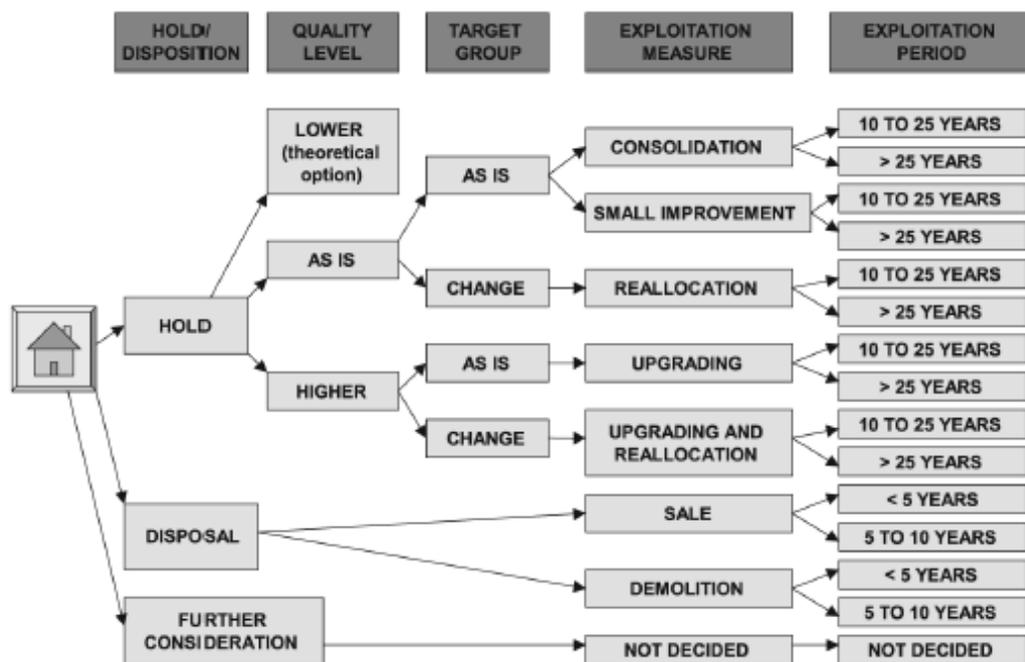
- *Investment to the public housing;*
- *Affordability and availability (price and number of housing for low income-households)*
- *Special target groups (beneficiaries)*
- *Quality of public housing*
- *Sale*

Thus, these goal formulations are not only relevant for the internal business planning, but also for purposes of external communication and supervision.

- Strategy Formulation

After setting its goals, the housing association has to determine how to gain these goals by means of management of and investment in its housing stock. Each country has different strategies in formulating its housing stock and depends on its planning cultures. Here, I propose an example of strategy formulation for housing management. By Gruis et al., (2004a), they promote “decision tree” model taken from Heeger and Van der Haak writings (2001) like in the figure 2.3. The translation of decision tree aims to simplify and structure decision-making process and determine easily the priority of existing housing management that will be handled.

Figure 2.2
Example of Related Labels for Housing Management



Source: Heeger and Van der Haak (2001), owntranslation, reported by Guis et al., (2004a),p.211

From figure 2.3, it can explain how the existing housing in a slum area, for instance that needs to be well maintenance in order to regenerate urban renewal. Here, there are five measurements used: hold/disposition of housing; quality level; target group; exploitation measure and

exploitation period. At the beginning, government through its decision making process has to determine whether an existing settlement or estate has to be preserved, disposal or still has other social, economic, and political considerations. Next, in preserving condition of existing settlement, government has two options in maintaining it, whether settlement is for getting higher quality than in previous condition, or for average condition. The next measurement is the target group whether it is still just for slum people or has changed to multi low-income groups, elderly and disables people. HAs also has a chance for getting profit from middle or higher income groups but still is under control from central government for the rents (Gruis et al., 2004b).

In the exploitation measure, consolidation, small improvement and reallocation of an existing settlement are choices for creating average quality. Whereas for developing higher quality of an existing settlement such as slum area, have to conduct the upgrading and even reallocation the settlement in order to regenerate urban renewal.

For the settlement or housing deemed by state is not benefit for social objectives, It should be demolished or sale to the market. According to Heeger et al.,(2001), Exploitation period for improving an existing settlement takes generally 10 until 25 years and even more. Nevertheless, I suppose the improvement can be done less than that period because the need of decent housing for low-income groups is urgent.

- Strategy Appraisal

A financial and a technical point of view from each state-strategy formulation become some aspects taken for measuring whether the strategy is realistic and in accordance with government regulations and commitments to various stakeholders, (tenants and local government). In this phase also is appraised, adjusted and confirmed whether the entire of individual-strategy formulation at state level provides a desired result at the portfolio level.

- Program formulation and implementation

The next two phases are program formulation and implementation respectively. These phases must be conducted with rational and transparent ways that consider and involve all stakeholders. As register organization, HAs are main organizations executing the mandate of public tasks. Therefore, local authorities and housing inspector should monitor professionally the performance of HAs.

- Feedback and control

The final phase is feedback and control done in each phase of asset management framework. This is a back loop that utilized as tools and inputs to measure the performance level of each asset management process and level of services as well (Gultom, 2011). Control is unlikely to succeed in a network, to prevent high cost of a project and to achieve public tasks (Primeus, 2003). Thus, the provision of decent housing for low-income groups and social welfare can be realized.

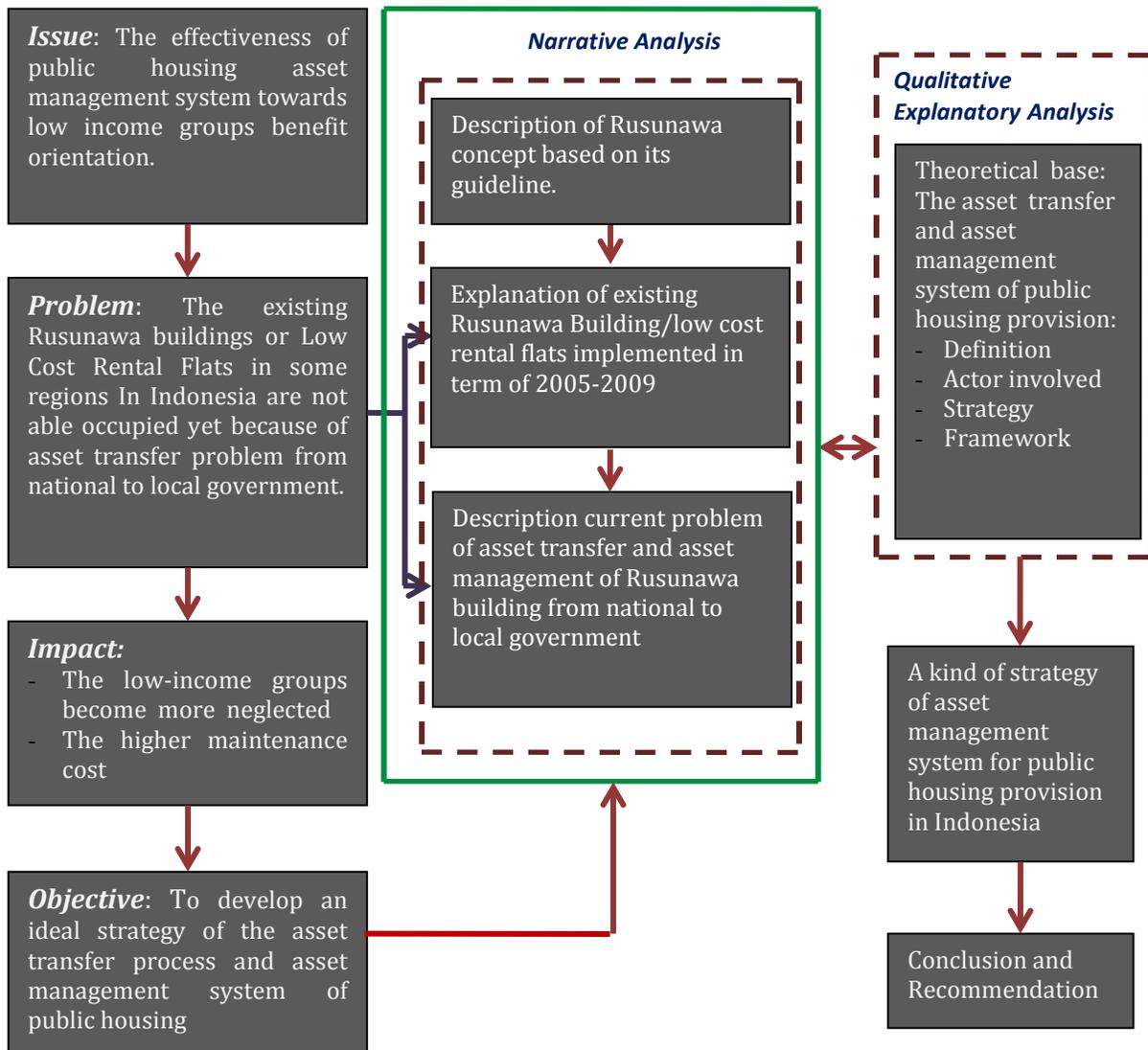
Supervision is in hand of government in evaluating performance of HAs. HAs must be monitored and quantified whether they execute public tasks and fulfill public housing market. Local authorities should make agreements with HAs and if a task asserted in the agreement unsatisfied, local authorities must give sanctions based on stipulations within agreement letters (Primeus, 2003).

“The only way that Housing Associations can demonstrate the credibility of this conclusion is by conducting their public tasks professionally and transparently and by combining them efficient, market-oriented behavior in which their strategy is led by current and future demand,” (p.279).

2.7 Research Framework

The research framework of the study shown in Figure 2.3, summarizes how the research will be conducted completely. The figure can be explained briefly as below:

Figure 2.3 Research Framework



Before explaining the objective of this research, issue in public housing asset management system will be derive, which will explain about the effectiveness of public housing asset management toward low income groups benefit orientation. There are some problems aroused in public housing/Rusunawa in Indonesia, which is, the existing Rusunawa building or Low Cost Rental Flats in some regions are not occupied because of asset transfer problem, from national to local government. The impact is that low-income groups become more neglected and there have been higher cost of maintenance. To overcome this problem, this research tries to develop an ideal strategy in asset transfer process and asset management system of public housing.

This research will use two steps of analysis: narrative analysis and qualitative explanatory. The narrative analysis will describe about the concept of Rusunawa based on its guideline, explanation of existing Rusunawa building or low cost rental flats which has been implemented from 2005-2009, and the current problem in asset transfer and asset management of Rusunawa building from national to local government will be discuss briefly. This analysis could answer the problems that arise in public asset management, particularly in Rusunawa building and analyze the impacts that happen based on the description about Rusunawa building.

After analyzing the description above, this research will conduct the qualitative analysis, by explaining and exploring the theoretical framework based on the literature review which is, definition, actors involved, strategy and framework relate to public housing asset management system. From this research, a kind of strategy of asset management system for public housing provision in Indonesia could be derived in order to overcome the problems. At the end of this research, conclusion and some recommendation will be imparted as a reference to improve the asset management system in public housing provision in Indonesia.

Chapter 3

Methodology

The research firstly informs the usage of single case study and multiple case studies at the preceding methodology research. Barkley (2006) reported Yin's (2003) article who wrote that single case study is proper to the case which deemed as an extreme, unique, or revelatory case; representative or typical case; or a longitudinal case. Besides, in Christie's et al. (2000) journal also defined a single case study research is applicable when the case is: critical for testing a well formulated theory; and a pilot study that is shown to be representative of a large population (Mckinney 1996; Smith 1988). Schell (1992) added the term of single case study is analogous to single experiment, and such are justified using the same arguments as the single experiment.

On the other hand, Barkley (2006) informed that multiple case study usually is preferred if the research goal is program evaluation or the examination of causal relationship (hypothesis testing) and adopts multi purposive cases and the potential to generalize the findings (Christie's et al.,2000). This kind of case considers to compare and contrast different cases and is useful if topic are too complex or involve too many actors to be addressed using a simple interview survey.

Based on the brief information above, this research is proper using single case study as main topic rather than multiple case studies. These because the topic concerns directly to the low cost rental flat/Rusunawa program that has implemented in term of 2005-2009 Although Indonesia has had several kinds program of public-housing provision. The research uses some arguments and theories to justify and examine the Rusunawa program. Actually, this research is just to identify the cause of ineffectiveness and mismanagement in transferring national assets to be local asset. In addition, it also want to investigate a kind of strategy of asset transfer and asset management system of Rusunawa program based on proper theories and arguments and give some inputs to prevent mismanagement of public housing provision that occurred in the prior time. By looking at the trend of increasing number of needs and interests of multi-storey housing, Rusunawa case is expected as a pilot or representative case to conduct asset management system for similar public housing program in future.

Moreover, there are two kinds of research methods: qualitative and quantitative research methods. This research method applies a qualitative research method as a tool to collect and analyze data required rather than quantitative method. This is because the research emphasizes conducting detailed analysis of single case study: low cost rental flat in Indonesia in term of 2005-2009, and

giving specific information about values and opinion of asset management system for public housing provision in future. These are in line with Neuman (1999) arguments, who said that qualitative research focuses on conducting detailed examinations of cases that arises in the natural flow of social life and give specific information about values, opinions, behaviors, and social context of particular cases, and study the phenomena based on those information to give a better understanding. Besides, the research does not conduct measure variables and test hypothesis at beginning of the research as a nature of quantitative research method (Neuman, 1999).

“Quantitative researchers emphasize precisely measuring variables and testing hypothesis that are linked to the general causal explanations,” (p.122).

Then, also according to Neuman (1999), quantitative method typically uses a technocratic perspective that concerns to reconstructed logic, follows a liner research path, and is analyzed by using statistics, tables or charts. Reconstructed logic defines *the logic of how to do research is highly organized and restated in an idealized formal and systematic form and it is constructed within logically consistent rules and terms (Neuman, 1999, p.122).* Besides, *a linear research path is a fixed sequence of steps that is like a staircase leading in one clear direction (Neuman, 1999, p.124).*

Hence, the research does not measure variables and test hypothesis because empirical data of Rusunawa development built in term of 2005-2009 just is found out from data collections and literature review as two main data collection methods developed in this research. Data collection and literature review are done simultaneously to find and build the theoretical base of public housing, asset transfer of public housing and asset management system for public housing (chapter 2) and to relates asset transfer and asset management of Rusunawa building implementation in Indonesia in term of 2005-2009 (chapter 4 and 5).

In general, the scheme qualitative data collection is as illuminated from figure 3.1 as follows (see next page):

First, qualitative data collection is obtained from literature review and data collection, in which data collection itself is distinguished within secondary data collection and semi-structured interview. Actually, as noticed by Patton (2002), qualitative data collection has three kinds of qualitative data: interview and focus group discussion (FGD); observations; and documents. However, because of the limited time, only about three months to accomplish the research, the vast area of Indonesia which consists of thousands of islands and large distances between researcher and case study location (Indonesia), so this research is deemed more appropriate and effective to gather data collections through secondary data collections (documents) and semi structured

interview. Therefore, in-depth interview and FGD do not carry out in this qualitative research because they are more suitable if researcher conduct observation and field research directly to research location.

For analyzing qualitative data, it has three type methods: explanatory analysis, narrative analysis and exploratory analysis (Neuman, 1999). As like stated by Yin's (1993) refers to Tellis (1997) journal that explanatory analysis may be used for doing causal investigations. He also illuminates the explanatory analysis tries to link an issue or topic with general principle and extend a theory to an issue or topics (Tellis, 1997). Narrative analysis does not need and dig more causal investigation. As like written by Yin's (1993) refers to Tellis (1997) journal that narrative or descriptive cases require a descriptive theory to be developed before starting the project. Neuman (1999) also argued that descriptive analysis tends to provide a detail and highly accurate theories and pictures and clarify a sequence of steps or stage a procedure. Next, the exploratory analysis is used to explore and create a new idea, conjecture and hypothesis for determining the feasibility of conducting research. This also tries to develop empirically technique for measuring and allocating future data and discovering new issue (Neuman, 1999).

Refer to the theories above, the research is appropriate using to both explanatory and narrative analysis, but does not apply exploratory analysis. Discussing literature review, this kind of data collection is relevant running explanatory analysis because explanatory analysis is used to explain Rusunawa program implementation 2005-2009 and to evaluate task and responsibility all tiers of government from pre-construction until post-construction phase of Rusunawa development. In addition, it is needed to find out and analyze the gap between the approved agreement and implementation of Rusunawa development and to investigate a kind of strategy of asset transfer and asset management of Rusunawa development.

Nevertheless, it is clearly explained that this research does not apply a hypothesis and techniques for determining future data and the feasibility of e research as a base of exploratory analysis. In case of Rusunawa asset management, it just focuses to identify the cause of ineffectiveness in transferring national assets to be local asset and want to investigate a kind of strategy of asset transfer and asset management of public housing/low cost rental flat after decentralization era in Indonesia.

Furthermore, as mentioned before, data collections offered in this research is through secondary data collections and semi structured interview. Discussing secondary data collections, those are derived from government publication, internet sources, journal articles, and books and

Government's monthly Magazine. These data collections are important to build the basic understanding about the concept of asset management system for public housing provision and to know asset management practice related to low cost rental flat/Rusunawa program. Entire secondary data collections also are analyzed by using the narrative analysis. These are because secondary data collections want to tell and enrich all theories, basic understanding concepts and principles of Rusunawa program, to narrate a sequence of implementation process of Rusunawa development based on all guidance of Rusunawa development and to know the asset management practice of Rusunawa development. Thus, narrative analysis does not need and dig more causal investigation As also written by Yin's (1993) refers to Tellis (1997) journal that narrative or descriptive cases require a descriptive theory to be developed before starting the project and explanatory analysis may be used for doing causal investigations. Neuman (1999) also argued that descriptive analysis tends to provide a detail and highly accurate theories and pictures and clarify a sequence of steps or stage a procedure.

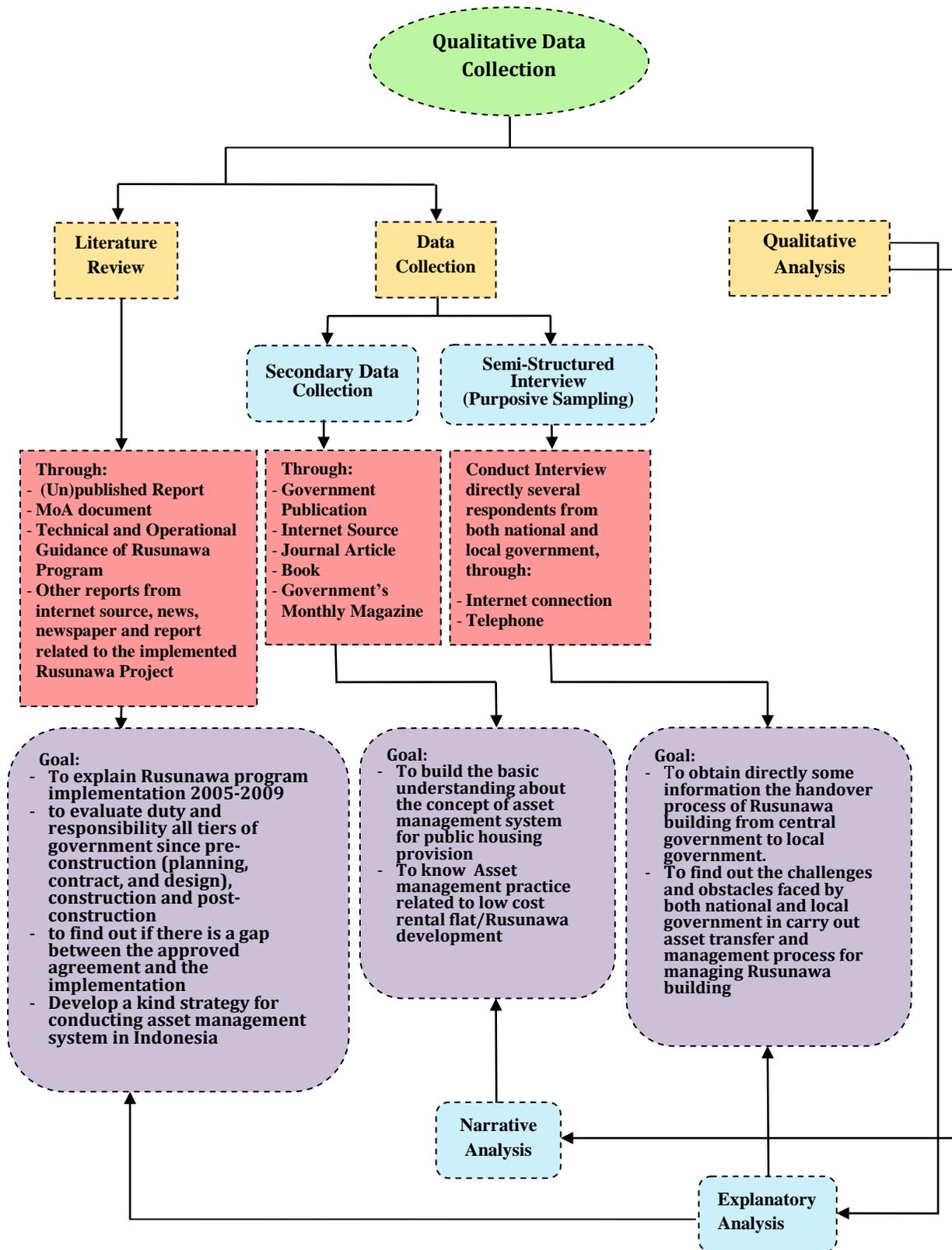
Moreover, within conducting semi-structured interview, it applies purposive sampling because this research collects specific informative from government employees who are as decision makers and just involve within public housing provision, particularly Rusunawa program. As like mentioned by While et al. (1994), the semi-structured interview is chosen as the means of data collections because of two main deliberations. *"First, it is suited for the exploration of the perceptions and opinions of respondents regarding complex and sometimes sensitive issues and enable investigation for more information and clarification of answers. Second, the varied professional, educational and personal histories of the sample group precluded the use of a standardized interview schedule"*. (While et al., 1994, p. 330). Regarding to purposive sampling, Neuman (1999) argued that *"purposive sampling is an acceptable kind of sampling for several special situations: it uses to select unique case that are especially informative; researchers may use purposive sampling to select members of difficult-to-reach, specialized population; and purposive sampling occurs when a researcher wants to identify particular types of cases for in-depth investigation."* (Neuman, 1999, p.198).

Therefore, in case of Rusunawa development, the semi-structured interview is run to obtain directly some information from both governments in national and local level that just involve directly in the implementation process of asset transfer and asset management of Rusunawa building in some regions. This kind of interview also aims to find out the challenges and obstacles faced by both national and local government in carry out asset transfer and management process for managing Rusunawa building.

Related to purposive sampling, I just use two respondents from central government employees as my purposive samplings and use telephone and internet connections as feasible and effective ways to interview them that meet limited research location. The detail information regarding to both respondent will inform in the explanation of figure 3.2. Meanwhile, for local respondent, the research uses internet publications to find some information from local government employees who have the role in the Rusunawa development. However, from these ways, I really expect to find out valuable information related to the challenges and obstacles faced by both level of government in carrying out the asset transfer and asset management process for managing the Rusunawa building in some regions. This semi-structured interview is analyzed by explanatory analysis.

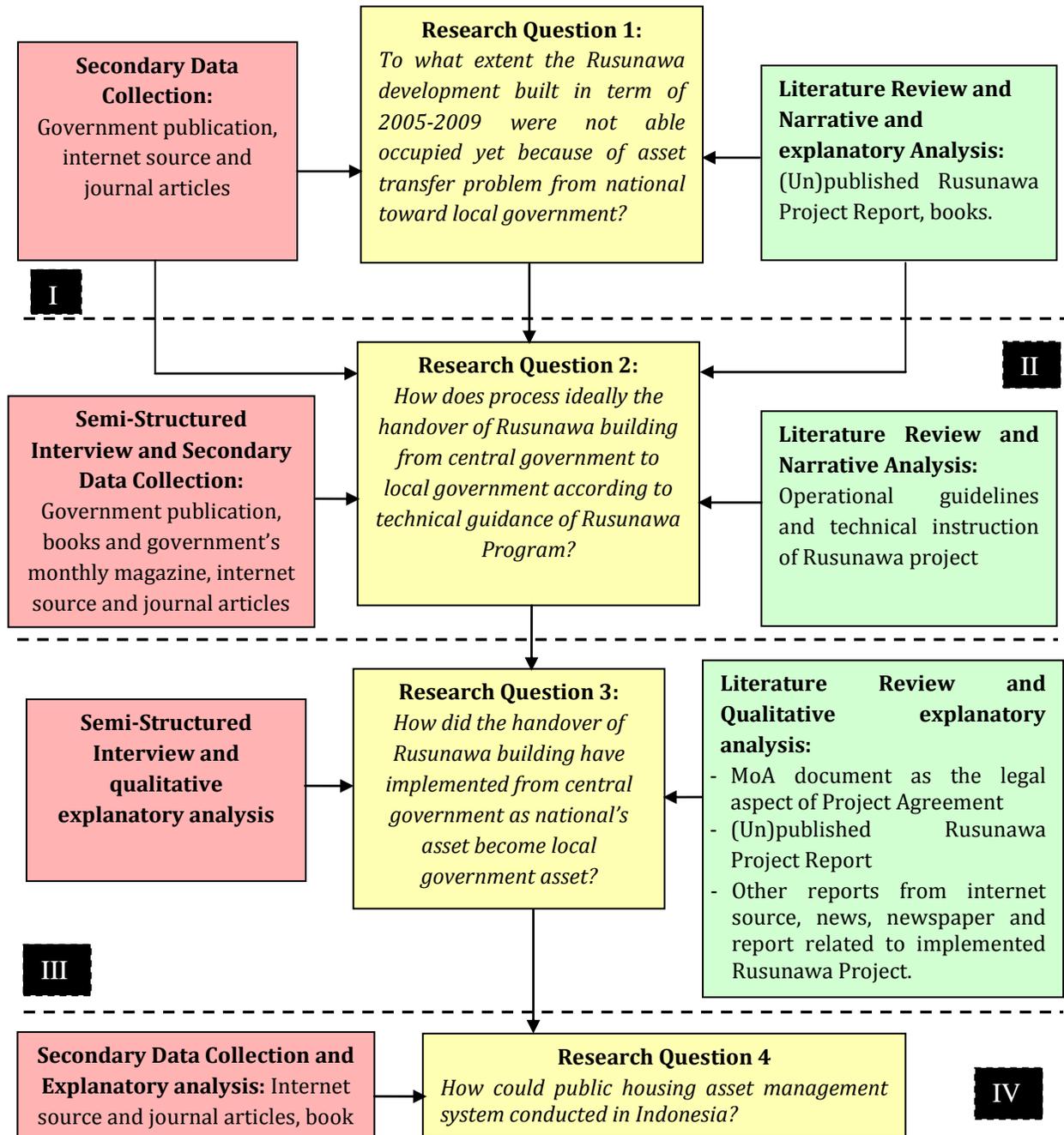
All the explanations of qualitative data collection and qualitative analysis above are summarized in figure 3.1 below:

Figure 3.1
Scheme of Qualitative Data Collection



Besides scheme of qualitative data collection method, this research also explores comprehensively the interrelationship of both methodology framework and qualitative data method, which is connected to each main research question. For further explanation, figure 3.2 enlightens their mutual connections as follows:

Figure 3.2
Methodology Framework



The detail procedure that links among research questions, data requirement and research methodology is shown from figure 3.2 above, and described explicitly as below:

Firstly, to what extent the Rusunawa development built in term of 2005-2009 were not able occupied yet because of asset transfer problem from national toward local government?

As mentioned on first research question above, the purpose of this question is to measure physically Rusunawa program had implemented in term of 2005-2009. There are 6.505 units of Rusunawa building without occupants from the 18.653 units built. From the total number of 6.505 units, there will be analyzed how many building units are not occupied yet by low-income groups because of the maintenance and asset transfer problem and will be also found out the cause those problems? To achieve this purpose, I use narrative analysis that uses two main qualitative data collections: secondary data collection and literature review.

a. Collecting secondary data stem from government publication, unpublished government report, internet source and journal articles that provide basic information about the achievement of Rusunawa program in term of 2005-2009.

- Government publication

The research uses some books, journal and magazine as government publication related to Rusunawa development in term of 2005-2009 and analyzes how many building units are not occupied yet by low-income groups because of the maintenance and asset transfer problem.

- Journal articles, book and magazine

Through journal articles, valuable information about the achievement and performance of Rusunawa development will be reached. Besides, some books and government's monthly magazines published by Directorate General of Human Settlement also are used as source information within this research.

- Internet connection

Gathering information from official websites of both Ministry of Public Works and Ministry of Public Housing constitutes one of some alternatives of qualitative data collections employed the research. In addition, other internet sources are also required to support and enrich this research.

b. Doing the literature review from government publication, (un)published Rusunawa project report and books to support and complement the narrative analysis

- Literature review

Some of Rusunawa project reports in term of 2005-2009, which are not published by

Ministry of Public Works also are utilized to complement and answer this first research question. Fortunately, the research has already asked and obtained from that ministry since thesis preparation in Indonesia.

Secondly, how does process ideally the handover of Rusunawa building from central government to local government?

The aim of this question is to illustrate the theory of implementation process of Rusunawa development since pre-development and narrate the guideline of Rusunawa program related to local government requirement in order to eligible receiving Rusunawa project from central government, until asset transfer process. Again, this step uses narrative analysis through some methodological steps below:

- a. Collecting secondary data from government publication, Journal articles, book and magazine and Internet connection
- b. Doing the literature review the operational guidance and technical instruction of Rusunawa project through government publication, book, magazine, journal articles and internet connection (see Table.3.1).

Table.3.1
The specification of data

Data Resource	Specification
Government publication	Guidelines of Rusunawa Program and Project; Law and Regulation regarding Public Housing Provision and Rusunawa Project; MoA or Legal aspect between National and Local Government regarding Rusunwa Project Agreement.
Literature reviews	(Un)published Rusunawa Project Report, books.
Journal articles, book and magazine	Articles are that give information about the planning system and Rusunawa project.
Internet Connection	www.pu.go.id and www.kemenpera.go.id These are official website of Ministry of Public Works and Ministry of Public Housing, which provide some information about the national public housing policies, implementation of public housing and Rusunawa program provision. Other internet sources are required to support and enrich this research.

From table 3.1 above, it can be described explicitly data resource and its specification as follows:

- Government publication

The research employs various guidelines of Rusunawa program: technical and operational guidelines for explaining definition, benefit, concept, target and outcome of Rusunawa program.

- Journal articles, book and magazine

Through journal articles, valuable information about planning system that affect public housing provisions, including Rusunawa development will be reached. Besides, some books and monthly magazines published by Directorate General of Human Settlement also are used as source information within this research.

- Internet connection

Gathering information from official websites of both Ministry of Public Works and Ministry of Public Housing constitutes one of some alternatives of qualitative data collections employed the research. It aims to get some information related to the national public housing regulations and policies, implementation of public housing and Rusunawa program provision. In addition, other internet sources are also required to support and enrich this research.

- c. Semi-Structured Interview is also aimed to obtain directly some information the handover process of Rusunawa building from central government to local government. Source information is interviewed from central governments who involve directly in the implementation process of asset transfer and asset management of Rusunawa building in some regions. Due to limitation of time and distance, semi-structured interview is conducted via the telephone and internet networks. There will be two people being interviewees, who work as central government employees. The name of the respondent is Mrs. Nieke Nindyaputri, who will represent the central government from Ministry of Public Works. She is the head of sub Directorate of Technical Planning, Directorate of Housing Development, DGoHS. She is also as one of the decision makers who conduct the Rusunawa program and in charge in monitoring and evaluating all of Rusunawa projects in Indonesia. The second interviewee is Mr. Afriandi Pohan, who is as the Project Manager of Rusunawa program in Indonesia. In another side, They are also as members of *Tim Pokja* Rusunawa.

Thirdly, how did the handover process of Rusunawa building have implemented from central government as national's asset become local government asset?

The research conducts qualitative explanatory analysis to evaluate task and responsibility all tiers

of government since pre-construction (planning, contract, and design), construction and until post-construction as stated on the MoA document as the legal aspect of project agreement. This is to find out if there is a gap between the approved agreement and the implementation. Therefore, real constraint faced by all tiers of government in the implementation process of asset transfer can be identified through taking into account the criteria and mechanism of Rusunawa program.

Briefly, methodology steps conducted are as follows:

a. Literature review

It performs through MoA Document, (un)published government report and other reports from internet source, news, newspaper and report related to implemented Rusunawa Project.

b. Semi-Structured Interview

Again, this kind of interview performs to investigate and find out the real barrier, which faces of both local and central government within implementation of Rusunawa development. Therefore, to represent the central government, Mrs. Nieke Nindyaputri and Mr. Afriandi Pohan are chosen as source information from Ministry of Public Works. Meanwhile, for local respondent, the research uses internet publications to find some information from local government employees who have the role in the Rusunawa development. From those respondents above also ask all tiers of government efforts and expectations in order to some obstructions met can be solved immediately.

Fourthly, how could public housing asset management system conducted in Indonesia?

Finally, this research will develop a kind strategy of asset management system for managing the public housing in Indonesia. Secondary data collection and narrative analysis are used in this research. Literature study and lesson of asset management system for managing public housing from other experiences and practices becomes the base of secondary data collection.

Chapter 4

Case Study: Rusunawa

(Rumah Susun Sederhana Sewa/Low Cost Rental Flat) Program

Before further detail explanation case study of the achievement of Rusunawa program as well as its challenges and constraint, this chapter first explores and discusses comprehensively about definition of Rusunawa Program, its objectives as well as the process of Rusunawa development since pre-development until transfer asset to local government.

4.1 Definition and Background of Rusunawa program

Rusunawa/Low Cost rental Flat Program is a program regards to the housing provision for low-income groups who are not able to buy and rent a decent housing, and for people who are living in slum area such as the poor households, labors and students, thereby social welfare can be reached (DGoHS, 2009). This public rental housing constitutes a housing assistance from central government to local government, which has shortage of funds in addressing the problem of housing and slum area in its region.

Rusunawa is needed to deal with the increasing slum and squatter settlements in the city and metropolitan areas. Even though some slum settlements are legal private land, central government struggles to realize the urban renewal program, Rusunawa program is argued as a public housing policy that accommodates slum people to remain live in urban. Therefore, some upgrading and even reallocation some slum settlements to a new city region are done to fit with limited urban land. In addition, this kind of public housing program is to supply living place for slum people because of still few decent housings provision for them. Furthermore, this program is also to execute the mandate of RPJMN (National Middle term Development Plan) in term of 2004-2009; Strategic Plan of Ministry of Public Works in 2005-2009 and Annual Government Working Plan.

4.2 The Objective of Rusunawa Program

As stated above, the main objective of Rusunawa program is to provide decent rental housing for slum people and low-income groups who are not able to buy and even rent a house in the cities and metropolitan areas. Besides, reducing slum and improving quality of the city become another objective of low cost rental flat program. In other words, by creating urban renewal that remains to give space and living place for the slum people becomes challenges all tiers of government.

4.3 Target of Rusunawa Program

Here, the target of this public housing is distinguished within two categorizes, namely:

- Beneficiaries of Rusunawa Program

Specifically, development of this low cost rental flat has targeted for low-income groups who live in the big cities and metropolitan areas and have incomes less than 2.5 Million rupiahs (approximately equal for 205 euro) per month. Moreover, this public rental housing also is for people who live in the city and district that have middle density, and squatter illegally, students who are not able rent the room or market housing, casual labors who have a tendency encourage slum and they have income less than 2 million rupiahs (equal for 164 euro) (DGoHS, 2009).

- The policy of Rusunawa Program

There are several cornerstone of government policy that is used so that the program Rusunawa released. Within the policy is mentioned about the targets to be achieved Rusunawa program in the period 2005-2009. The policies are as follows:

- *The target of RPJMN (Rencana Pembangunan Jangka Menengah Nasional/National Middle Term Development Plan) in term of 2004-2009*

This policy gives mandate to the central government for developing low cost rental flats for a number of 60 thousand units.

- *The target of RENSTRA PU (Rencana Kerja Strategis Lima Tahunan/five-year Strategic Working Plan, owned by Ministry of Public Works), In Term of 2005-2009*

To execute RPJMN mandate, as one of technical ministries, Directorate General Human Settlement (DGoHS), Ministry of Public Works is responsible to implement the policy of multi-storey housing development besides Ministry of Public Housing. DGoHS makes Program and Strategic Plan in term of 2005-2009, in which this plan aims to build 30 thousand units of Rusunawa.

- *The target of 11 MDGs (Millennium Development Goals)*

As one of United Nations member states, Indonesia participates actively to achieve the millennium target 11, namely:

"Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers"(www.unmillenniumproject.org).

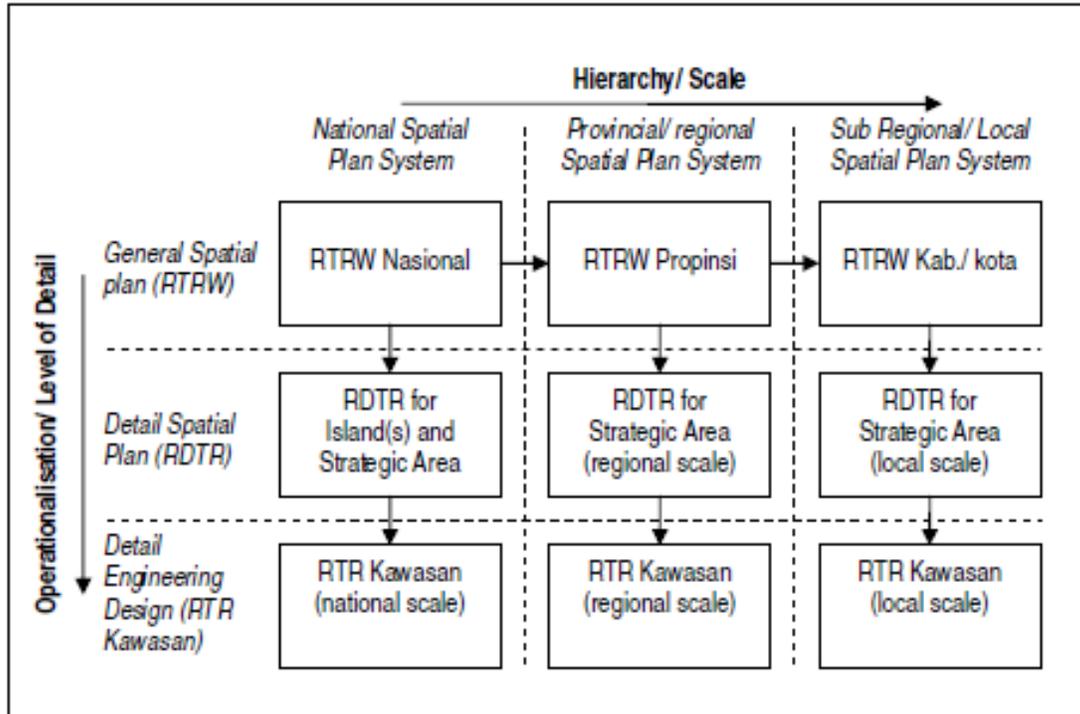
4.4 Outcome of Rusunawa Program

Through the provision of housing assistance to local government, central government expects the outcome ensures legal certainty for low-income groups in residence status. Furthermore, this program expected is to ensure the availability of decent and affordable housing and the housing quality as well. Then, the refurbishment of slum area and improving the quality city life could be generated. Besides, Rusunawa is being a pilot project and can be replicated by local government in another its own region after getting housing assistance from central government. The Development of self-organization by dweller involvement in the housing asset management becomes one of some major outcome of this Rusunawa program (DGoHS, 2009).

4.5 Planning System

Planning system defines as *systems of law and procedure that set the ground rules for planning practices* (Healey, 1997 p.72 in Hudalah, 2006). As a concrete manifestation upon formulating planning System, Indonesia has produced law No.6 on spatial planning of 2007 as a basis for planning practice through the plan and utilization of space and control to the space utilization as well. The presence of this law aims to create the safe, comfortable, productive and sustainable national spatial territories based on archipelago concept (*Wawasan Nusantara*) and national security (*Ketahanan Nasional*). These can be achieved through: (1) promoting harmonization between nature and human-made, (2) realizing of the integrity in the use of natural and human-made resource, and (3) protecting the space function and preventing environmental impacts from spatial development (law on Spatial Planning No.26 of 2007, article 2). Then, within decentralized governance, spatial planning law also gives greater authority to local governments in the implementation of their own spatial planning, in order to achieve the integrated development among national, regional and local regions. Therefore, planning system in Indonesia is comprehensive, integrated and binding in nature (Hudalah, 2006 in Kusumawati, 2010). From figure 4.1 above, the planning system of Indonesia can be explained briefly as follows:

Figure 4.1
Spatial Planning System



Source: Hudalah, 2006, p.48

As mentioned by law on spatial planning No. 26 of 2007 article 14, the hierarchy of general spatial plan consists of National Spatial Plan (*RTRW/Rencana Tata Ruang Wilayah Nasional*), Provincial Spatial Plan (*RTRW/Rencana Tata Ruang Wilayah Propinsi*) and Municipal and District Spatial Plan (*RTRW/Rencana Tata Ruang Wilayah Kota dan Kabupaten*). This means the lower level of government make spatial plan refers to the general spatial plan of the higher level of government.

“The higher tier of RTRW is also used as a guideline for the lower tiers of RTRW....RTRW Kota and RTRW kabupaten are used as a basis in issuing permit and development location , “ (Hudalah, 2006, p.47)”.

Entire levels of RTRW consist of structure plan (*rencana struktur ruang*), land use plan (*rencana pola pemanfaatan ruang*) and development control guideline (*pedoman pengendalian pemanfaatan ruang*). These formulate into law on 26/2007, article 20, 23, 26 and 28 respectively.

In the National level, government makes RTRW Nasional and then, translates completely into Detail Spatial Plan (RDTR) for island(s) and strategic area. Next, from this RDTR Nasional is made more specifically into Detail Engineering Design (*RTR/Rencana Teknik Ruang Kawasan*). Therefore, the

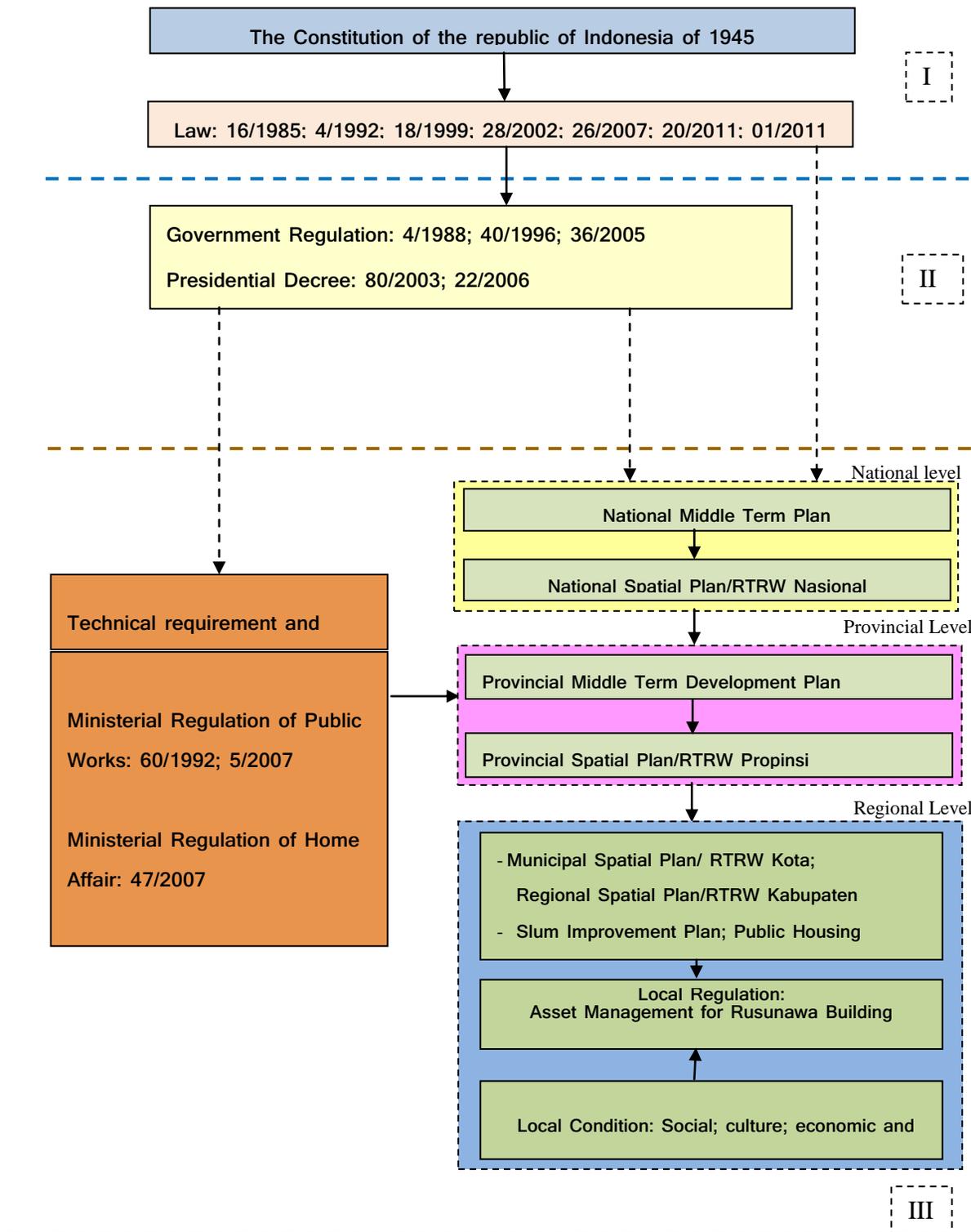
entire direction of national development policy should be stated into National Middle Term Development Plan (*RPJMN/Rencana Pembangunan Nasional Jangka menengah*) and then, it should be accommodated within RTRW nasional.

Those RTRW, RDTR and RTR hierarchies also are executed into regional and local level. Provincial government as well as municipal and district government also make respectively their own RTRW, RDTR and RTR based on RTRW Nasional. These mean that all directions of regional or local development policy, including improvement plan and public-housing provision plan through Rusunawa program are obligated into Regional/Local Middle Term Development Plan (*RPJMD/Rencana Pembangunan Daerah Jangka Menengah*), and those are adhered into each tier of RTRW

4.6 Legal Framework

Since the launch of Rusunawa program, central government has had some rules and laws that become the legal basis for Ministry of Public Works to enforce and legitimate this low cost rental flat in order to effectively performed by all stakeholders, from national, regional and local level. The scheme of Legal Framework of Rusunawa program shows clearly as below:

Figure 4.2
Scheme of Legal Framework of Rusunawa Program



Entire rules and laws as the legal framework of Rusunawa program shown in figure 4.2 above, enlightened explicitly as follows:

Firstly, the highest law level is the constitution of The Republic of Indonesia of 1945. Within this constitution, article 28 paragraph 1, it is explicitly outlined that:

“all people of Indonesia have the right to live in spiritual, material prosperity, to settle, to get good and healthy environment and to obtain medical care”.

As the basis of the contents of this constitution, the state struggles to provide infrastructures and services for fulfilling the basic needs of large society. To achieve those rights, this legal foundation must be described in detail by lower legal rules, which are the laws of Republic Indonesia (Kusumawati, 2010). The major laws supporting the Rusunawa program consist of several laws, namely:

- Law No. 16 on multi-storey housing 1985 stipulates that multi-storey housing development must be based on the principle of common prosperity, harmony and equity as well as balance and justice of life (article 1). *“The development of multi storey housing is based on the foundation of welfare, age, justice and equity, as well as harmony and balance in life”.* (Law No.16/1985, article 1). Hence, multi-storey housing development aims to meet the needs of decent living place for low-income people and to ensure legal certainty in its utilization. This also stated in Law No.16/1985, article 3, par.1a, *“fulfill decent needs in housing for people, particularly low income segment of society, which guarantee legal certainty in their utilization.”* This means that housing is constructed according to the level of affordability and demand of the poor.

As stated in the first law of multi-storey housing development, that central government has the authorization to solely build and organize the flats. It said that *“Government can delegate to local government some of the setting and development of multi storey housing as referred in paragraph.”* In some circumstances, the central government might delegate to local governments for carrying out part of arrangement and management of flats. This can be happen because at the time governance in Indonesia still conducted centralized system until 1998 so that the absolute power was in the hand of central government.

- Law No. 4 on housing and settlements 1992 also asserts about the rights of house owned or controlled by the state through the article no 10 which stated that, *“occupancy, management and transfer of status and rights of house controlled or owned by the state is set by government regulation.”* Therefore, the central government provides guidance, assistance, and facilities to

the community both in the planning, implementation to monitoring and control to improve the quality of settlements such as restoration, rehabilitation and sustainable management and maintenance. This is set out by the Law no.4/1992 in article 24, par.1-2 as follow:

(1) The government provides guidance, assistance, and easiness to the society both in planning and implementation phase, and in controlling and monitoring to improve the quality of housing.

(2) Improving the quality of housing referred to par.1 in form of activities such as:

a. reparation or restoration

b. sustainable management and maintenance (Law No.4/1992, article 24, par.1-2)

Even though private sectors had already engaged in implementing housing and settlement, they still do not involved independently. Central government directly appointed national company and/or private company to organize the prospective build area without doing a bidding process in the beginning. It has stated in the article no. 20, par.2 that the *“implementation management of prospective built area as referred in par.1 shall be done by the State-Owned Enterprise and/or other institution established by the government which assigned to it.”* This means that the local government's role and private sectors remained to be limited in the development and management of housing and settlement in local level because of the influence of centralistic system. Therefore, this law has revised upon the law No.1 on housing and neighborhood settlements of 2011. In this new revised law affirms that local government has the autonomy to maintain and manage the housing and settlements independently.

- Law No.18 on construction services 1999 is the milestone for business companies starting to involve independently within entire kinds of construction services. This is because since in the middle of 1998, Indonesia has changed as new regime that signed with implementing decentralization within governance system.

This law describes construction services comprises planning, construction and supervision work provided by individuals or Business Companies and they are selected based on government regulation (article 1 par.1). However, in article 2, stated that, *“the arrangement of construction services based on the foundation of honesty and justice, usefulness, harmony, balance, independency, transparency, partnership, security and safety for community, state and nation interest.”* In the other article also stated that, *“binding in relation to construction work conducted based on the principle of fair competition through the selection of service providers by public or finite auction.”* (Law No.18/1999, article 2).

Society also has significant role in the construction services. Society involvement enforces in article 29 of this construction service law, which says that, *“the society has the rights to:*

- a. *Supervise in order to achieve orderly implementation of construction services.*
- b. *Obtain appropriate reimbursement for losses experienced directly as a result of construction work.” (article.29)*

Thus, discussing developing public housing, particularly low cost rental flat/Rusunawa program, central government is obliged to ask and involve public societies and business companies (third parties) in the construction development through bidding mechanism set out by government regulation.

- Law No. 28 on buildings development 2002 asserts that buildings development held upon the principle of usefulness, safety and building harmony with its neighborhoods. This means the development of Rusunawa building also should assure its quality even though for low-income groups and Rusunawa development plans should be adopted from regional or local spatial approach, no longer a top-down approach (article 2). Moreover, the role of local government is more legitimated, which has a power in issuing development permit as stated in article 35, *“building construction can be develop after the technical plan of the building approved by the local government in the form of building permits, except for building with special function.” (Law No.28/2002, article 35).*
- Law No. 26 on spatial planning 2007 is used as a basis for planning practices and carried out solely for the social welfare (article .7, par.1).

“State conducts spatial planning just for large social welfare” (Law No.26/2007, article 7, par 1).

This means that the government should be required to provide space for entire-level income groups, Including space for living place for the poor (Kusumawati, 2010).

As stated by this spatial planning law, central government also gives strong authority to the municipality and local government to arrange their own spatial plans in accordance with law and regulation. This is stated in article.7 par.2-3 as follow,

(2) In carrying out the task referred to par.1, the state gives authority in spatial planning implementation to government and local government.

(3) The implementation of spatial planning as referred in par.2 shall be conduct by respecting the rights of the premises owned in accordance with the provision of the legislation. (law no.26/2007, article 7, par 2-3).

Therefore, this is as an opportunity for regional and local level to provide public housing and urban renewal programs that are synergized with the national's program.

- Law No.20 on multi-storey housing of 2011 replaces the law No.16 of 1985 because the former is no longer relevant with the planning culture in Indonesia. The latter emphasizes to change governance system, law transformation, planning culture, economic and social conditions. Community involvement also is a main issue in the renew content of law No.20/2011. This is stated clearly that government has given delegation to Executing Board (EB/*Badan Pelaksana*) as a major independent board, which arranges the entire supply of Rusunawa building since this law stipulated. Therefore, central government is no longer being the operator of Rusunawa development, but only as regulator and supervisor. Besides, EB also should assure the public multi-storey housing only owned or occupied by low-income groups, which has already stated in article 72, par. 1-2:

(1) To realize the provision of decent and affordable multi storey housing for low income people, the government has given tasks or form executive institution.

(2) The assignment or forming executive institution referred in par.1 aims to:

a. accelerate the provision of public multi storey housing and specific multi storey housing, particularly in urban area.

b. ensure that public multi storey housing solely owned and inhabited by the low income people.(Law No.20/2011, article 72, par.1-2).

Moreover, occupants of unit multi-storey housing are also required to form Association of Unit Multi-Storey Housing Owners and Occupants (PPPSRS/*Perhimpunan Pemilik dan Penghuni Satuan Rumah Susun*), which obligate to arrange the interests of the owners and occupants relates to the management of joint ownership of common land, objects and residential (article 75, par.3). This affirms officially the role of occupants as the actors who are actively responsible in maintaining the building.

“PPPSRS as referred in par.1 obliged to take care of the interest of owners and occupants relates to the management of shared ownership of objects, shared land and residential.” (article 75.par.3)

The distribution roles among all tiers of government as advisors also enforce and adhere respectively in article 80, 81 and 82. These roles show mutual relationship and complementary each other.

- Law No.1 on housing and settlements of 2011 is the result of revision of law No. 4 of 1992. In this new law emphasizes on the provision of low-income housing for the poor who are not able to buy and rent a commercial housing and this becomes a main task of all tiers of government as stated in article.52, par.1, *“Government obliged to comply the need of housing for low income people.”*

They have to facilitate the development and home ownership for low-income groups that can be in form of tax incentives, land certificates, home acquisition subsidies, insurance and guarantees, licensing, land provision and/or infrastructure and public utilities (article. 54, par.3).

(3) Easiness and/or assistance for the construction and acquisition for the low income people referred in par.2 can be as:

a. subsidize of housing

b. stimulant of self housing

c. tax incentives in accordance with the provisions of law and regulation in taxation

d. licensing.....(Law No.1/2011, article 54, par.3).

Secondly, those laws of Republic Indonesia are translated specifically into other regulations that have lower level than laws. The regulations can be as government regulations, presidential regulations and/or presidential decrees. Thus, the content of government regulations must not violate the general rules stated in the laws.

Discussing Rusunawa program, state has produced some government regulation and they consist of three government regulations, two presidential decrees and one presidential regulation.

First, Government Regulation No.4 on Multi-storey housing of 1988 explains generally about multi-storey housing maintenance and management; technical and administrative requirement of multi-storey housing; habitable permit (*izin layak huni*); ownership, occupancy and management of multi-storey housing and procedures for monitoring multi-storey housing as well.

Second, Government Regulation No. 40 on the right to operate, right to build and use of land of 1996 is as a government regulation, which gives legal certainty to the tenant of Rusunawa building as right to have living place.

Third, Government regulation No. 36 on building development of 2005 emphasizes on the building function; technical and administrative requirements based on building function; the role of central and local government in monitoring and guidance on the use of building; the role of community as users and owner for building maintenance in accordance with the regulations. Moreover, the opportunity of third parties as service providers of building maintenance also is provided according to rules and regulations.

Fourth, Presidential Decree No. 80 on the implementing guideline and procedure of goods and services procurement of 2003 regulates procurement procedures of goods and services funded by national or local government through a transparent and fair bidding process. This means that the Rusunawa building procurement must follow the selection process, governed by this decree.

Fifth, Presidential Decree No.22 on coordination team for accelerated multi-storey housing development in urban area of 2006 determines coordination team among government institutions by involving business entities and community to accelerate multi-storey housing development.

Sixth, Presidential Regulation No. 65 on land acquisition for public development of 2006 releases to enhance the respected principle of land tenure in the process of land acquisition for development in term fulfillment of public demand. Related to Rusunawa program, government has to provide space for the poor that has legal certainty and security of land tenure.

In order for the entire government regulations can be enforced and bounded effectively until the lowest (local) level, all ministries which are responsible with the Rusunawa development plan program should make more detail and comprehensive rules base on the government regulations mention above. There are ministerial regulations related to Rusunawa program:

- Ministerial Regulation of Public Works No. 60 on technical requirements of multi-storey housing development of 1992 is about the content of technical requirements of multi-storey housing development. However, this ministerial regulation considered necessary to be changed because of not applicable yet in managing multi-storey housing. Thus, need to arrange a more comprehensive minister regulation to complete the existing regulations. Thus, this is needed renew ministerial regulation to re-cover existing ministerial regulation.
- Ministerial Regulation of Public Works No. 05 on technical guideline of multi-storey housing of 2007 completely explains planning criteria, administrative and technical requirement of building lay out and technical and building strength stipulation of the multi-storey housing.

Moreover, this ministerial regulation also regulates subsidy that can be funded by central or local government for low-income people as the main target groups.

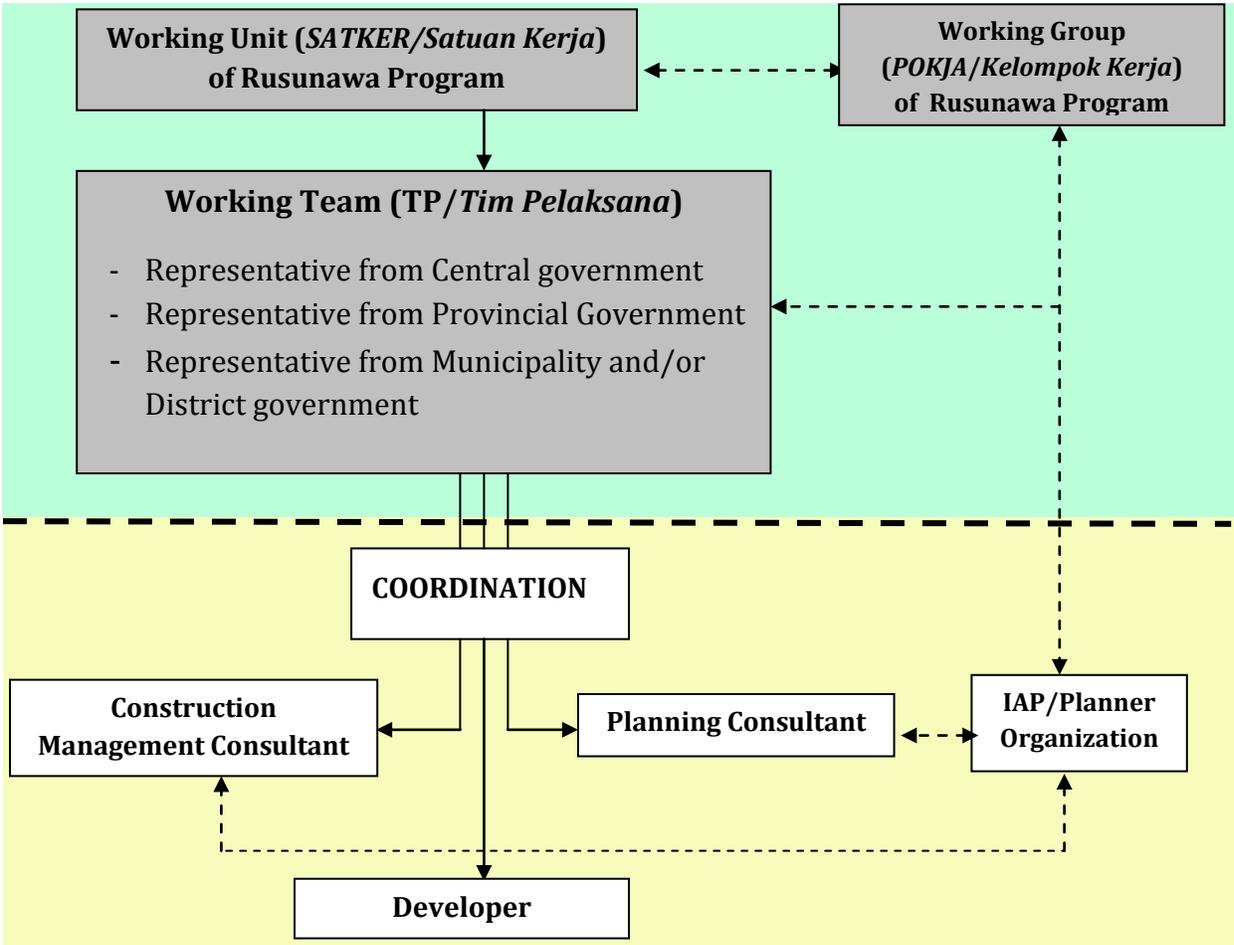
- Ministerial Regulation of Home affair No. 74 on guidelines for licensing facilities and the provision of incentives in the construction of simple flats in urban area of 2007 aims to optimize and accelerate the construction of simple flats with giving licensing facilities and incentives to the developer. One of some licensing facilities is license status of land and building (article 4). For its incentives can be a relief of the levy cost (article 5). Within this ministerial regulation also obliges to local government to make local regulation related to licensing facilities and incentive mechanism (article 7). It means that local government has the right to set its own way based on the local spatial plan, social, culture and economic condition.
- Ministerial Regulation of Public Housing No. 7 on housing and settlement development through housing credit subsidy (*KPR/Kredit Kepemilikan Rumah*) of 2012 is released to give housing credit subsidies (KPR) to the low-income groups through mortgage system.

Therefore, government in regional and local level has to set the plan of slum improvement program or Rusunawa program into their own municipal spatial plan (RTRW Kota) or regional spatial plan (RTRW Kabupaten), Local Middle Term Investment Development Plan (RPIJMD). Of course, their local plans should refer to national spatial plan (middle and long-term plan), laws, government regulation as well as ministerial regulation that has mentioned above.

4.7 Actor Involvement in Rusunawa Development

As noticed within planning system in Indonesia and legal framework Rusunawa program, multi-stakeholders are involved in each step of Rusunawa development process. All tiers of government, private sectors and IAP (*Ikatan Ahli Perencana/Planners Organization*) as public representative have different roles, nevertheless they cooperate each other within developing Rusunawa program (Directorate of Program Development (DPD), 2008). The scheme or coordination line among all stakeholders can be seen explicitly from figure 4.3 below:

Figure 4.3
The Organizational Structure of Rusunawa Development



From the figure 4.3, the relationship and coordination line of the Rusunawa development structure describe explicitly as informed follow:

Working Unit (*Satker*) of Rusunawa program is as the Implementation unit of Human Settlement Development, within authorization of Directorate General of Human Settlement, Ministry of Public Works. The head of *Satker* of Rusunawa Program is a director of Directorate of Human Settlement Development. This *Satker* is assisted by working group (*POKJA/Kelompok Kerja*) and consists of structural elements within Directorate General of Human Settlement. *Satker* and *Pokja Rusunawa* also stipulate the task and responsibility all tiers of government that are assisted by IAP (Planners Organization) as public representatives. Meanwhile, technical and managerial assistance is provided by *Pokja Rusunawa* to the working team (*TP/Tim Pelaksana*). *Tim Pelaksana* is formed as

the initiative of the *Pokja Rusunawa* and *Tim Pelaksana* constitutes as representatives from all tiers of government: national, provincial and municipality as well as district government.

TP together with planner organization conducts technical assistance and coordination to the third parties: construction management consultant, developer and planning consultant in the implementing planning, and development of Rusunawa building. These purposes to all third parties can develop officially Rusunawa building based on technical and operational project guidance. The selected third parties are asserted through transparency, openness and fairness values through a tender process based on laws and regulation.

4.8 Task and Responsibility of The All Tiers of Government

All tiers of government have different roles, tasks and responsibilities in the development of Rusunawa program. Those roles have been agreed and approved jointly by Working Team (TP/*Tim Pelaksana*).

4.8.1 Central government

At national level, government has several tasks and responsibilities that are the guidelines and directions for the lower levels of government, namely (DGoHS, 2009):

- making national policy and strategy of Rusunawa program,
- determining general guideline of planning, construction, monitoring and control for Rusunawa development,
- stipulating Minimum Service Standard (*SPM/Standar Pelayanan Minimum*), which can be continued by local government in term administrative and technical affairs,
- conducting technical assistance of residential and building management after post-construction,
- providing planning and design of Rusunawa building that have made by third parties,
- providing initial funding for Rusunawa construction,
- carrying out the maintenance and asset transfer after local government assessed is capable managing independently a Rusunawa building,
- making a MoA (Memorandum of Agreement) in between municipal and/or district government and central government as a legal aspect of financing affordability as well as the fulfillment of technical and administrative requirements.

4.8.2 Provincial Government

As also mentioned by DGoHS (2009), the roles of provincial government executing national policy and strategy of Rusunawa program are follows: (1) determining provincial policy and strategy of settlement development, including slum improvement and Rusunawa program, (2) integrating rusunawa development with other sectors, (3) giving input to central government in accordance with local issue, (4) conducting technical assistance of residential and building management after post-construction based on national policies, and (5) facilitating inter-governmental relationship in term of administrative and technical affairs.

4.8.3 Municipality or District government

In addition, as the lowest level of government, municipality and/or district government has task to (DGoHS, 2009): (1) stipulate municipal and/or district policy and strategy of settlement development, including slum improvement and Rusunawa program, (2) Set make Local Middle Term Investment Development Plan (RPIJMD) based on its own Local Middle Term Development Plan (*RPJMD/Rencana Pembangunan Jangka Menengah Daerah*), (3) assert slum area improvement and Rusunawa program plan, (4) conduct technical assistance of residential and building management after post-construction based on provincial policies, (5) eligible land preparation for Rusunawa location, (6) prepare low- income groups and slum people as major dwellers of Rusunawa building, (7) allocate local budget (*APBD/Anggaran Pendapatan Belanja Daerah*) for provision of supporting infrastructure (*PSD/Prasarana dan Sarana Dasar*), namely sanitary, electrical and clean water connection; and subsidy budget for Rusunawa Management if it is necessary, (8), provide the building permit (*IMB/Ijin Mendirikan Bangunan*), (9) set local regulation (*PERDA/Peraturan Daerah*) related to the development of Rusunawa program, and (10) establish technical management unit (*UPT/Unit Pengelola Teknis*) which has task to determine occupancy and building management matter as well.

Related to Memorandum of Understanding between national and local government, this MoA is signed by a mayor or regent; the head of technical agency who has the responsibility in executing the Rusunawa program, and Director General of Human Settlement, Ministry of Public Works.

Content of MoA comprises several requirements that states local government is obligated to (DoPD, 2008): (1) stipulate municipal and/or district policy and strategy of settlement development, including Rusunawa program, (2) set eligible land preparation for Rusunawa location, (3) allocate local budget (*APBD/Anggaran Pendapatan Belanja Daerah*) for provision of supporting infrastructure (*PSD/Prasarana dan Sarana Dasar*), namely sanitary, electrical and clean water

connection; and subsidy budget for Rusunawa Management if it is necessary, (4) prepare low-income groups and slum people as major dwellers of Rusunawa building, (5) provide the building permit (*IMB/Ijin Mendirikan Bangunan*), and (6) establish technical management unit (*UPT/Unit Pengelola Teknis*) which has task to determine occupancy and building management matters as well.

4.9 Proposal Process of Rusunawa Development

Because of many requests from local governments, spread in 399 cities and 98 districts (MoHF, 2010), and also limited national budget, central government has to select local governments which meet requirements determined by *Pokja* and *TP* (See figure 4.4 below). From figure 4.4, it also explains proposal process of Rusunawa Development and answer the third research question of this thesis.

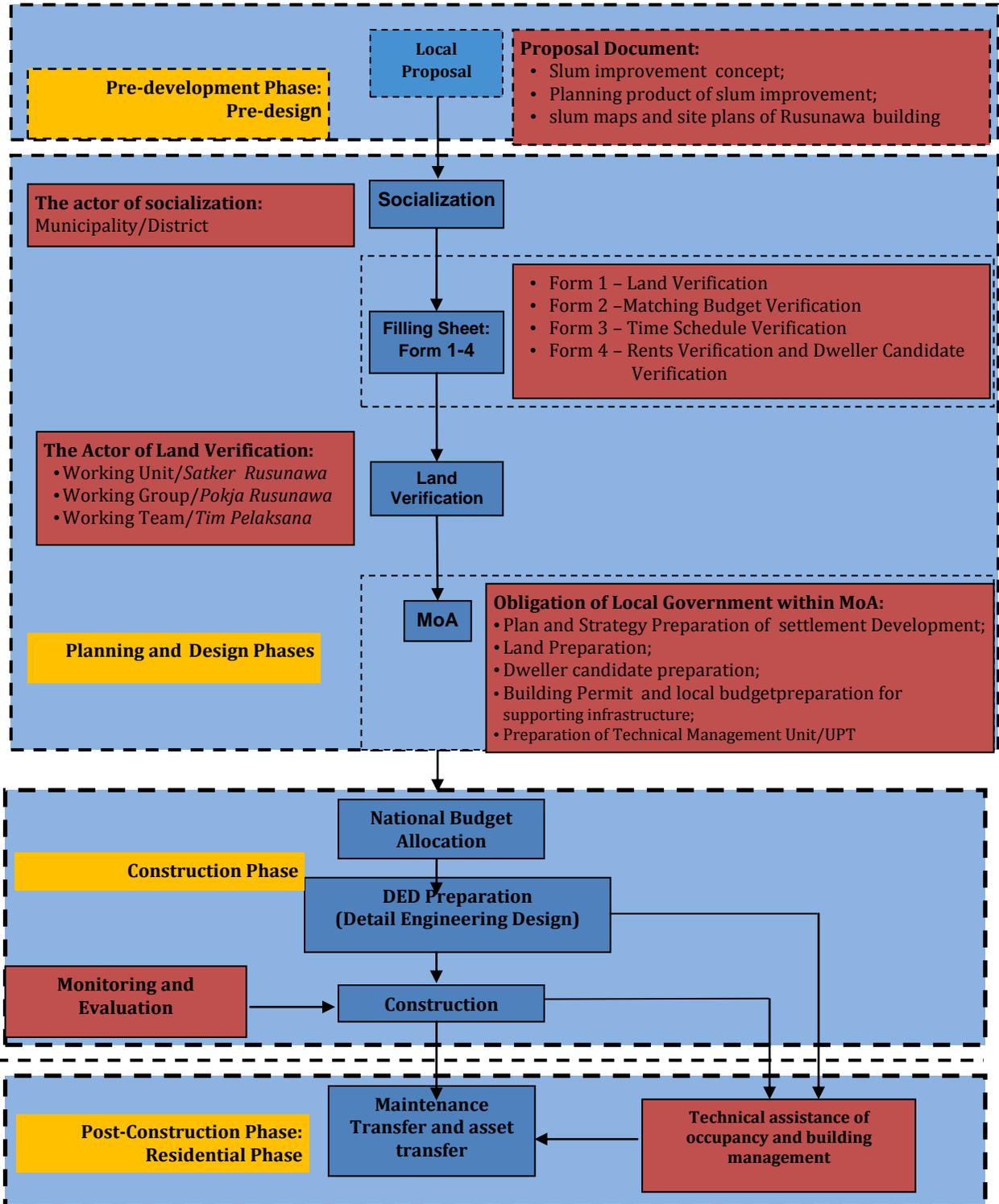
First, local government (municipality or district government)proposes a letter of Interest and proposal document to national *Satker Rusunawa* (central government). Then, this proposal document is evaluated by *Pokja Rusunawa* and *TP*. Nevertheless, before recommending the proposal, local government should consider its tasks and responsibilities that have been mentioned above. The content of proposal document consists of: (1) Slum improvement concept, (2) Planning product of slum improvement, and (3) Slum maps and site plans of Rusunawa building.

Second, Socialization is carried out by *Pokja Rusunawa* aims to provide further explanation in order for the maturation of proposal from local government. Socialization also is conducted by local government itself to local societies regarding slum improvement plan and Rusunawa program in term of getting response and aspiration from local societies as candidate dwellers who are low-income groups as well as slum people. Hence, society is engaged from beginning pocess of Rusunawa development. *Third*, local government fill some sheets (see figure 4.4) as evidence the local readiness in implementing Rusunawa program. Entire filling sheet is verified by *Satker, Pokja* and *TP Rusunawa* as well. This aims to analyze and evaluate the feasibility of local government

Next, the signature of MoA is done between a regent or major (local government) and Director General of Human Settlements (central government). *Five*, national budget is allocated to produce DED, and physical building construction through third parties (developer selected)(see figure 4.3) and then, developer executes Rusunawa construction, which is monitored by all stakeholders (also see figure 4.3).

Finally, in the post-construction phase, *Pokja Rusunawa* and *TP* give technical assistance of occupancy and building management to improve local government capability before asset Rusunawa building transferred. Actually, the process of maintenance and asset transfer is performed within sequence step, starting from the handover of finished work (developer to central government), then maintenance transfer and last asset transfer (from national to local government).

Figure 4.4
 Proposal Process of Rusunawa Development



4.10 The Implementation of Rusunawa Program

By looking mechanism and procedure in Rusunawa Development proposal process, the strategy program includes within the systematic and comprehensive characteristics, based on various characteristic and indicators of strategic asset management grouped by Gruis et al. (2004b). However, it could be done not in line with the procedure because of many problems faced. Therefore section 4.10 will discussed thoroughly the implementation of Rusunawa program.

Actually, Rusunawa program has been implemented since 2003, but it executed effectively in 2005. This means that the result achieved from 2003 to 2004 is counted accumulatively into 2005. From 2005 until 2009, central government as the first owner of project (before given to local government) has been built 18.653 units of 30.000 units targeted in the Strategic Plan of Directorate General of Human Settlements in term of 2005-2009. It means there are gaps of 11.347 units of Rusunawa building that are not successfully built.

In fact, from 18.653 units of Rusunawa building, those are only 12.148 units occupied and their status have been transferred to local government and universities for maintaining the buildings. However, none of 12.148 units has become local asset permanently. In other words, there was not implemented asset transfer from national to local government or university.

For further, this research computes that the total gaps of Rusunawa building without occupants are 6.505 units or 34,87% of total building constructed. This means, if per unit of Rusunawa building lived by three member families per household, there are 13.525 low-income people who are suffer without decent housings. The all information summarized into figure 4.5 as below:

Figure 4.5
Implementation of Rusunawa Program
In Term of 2005-2009

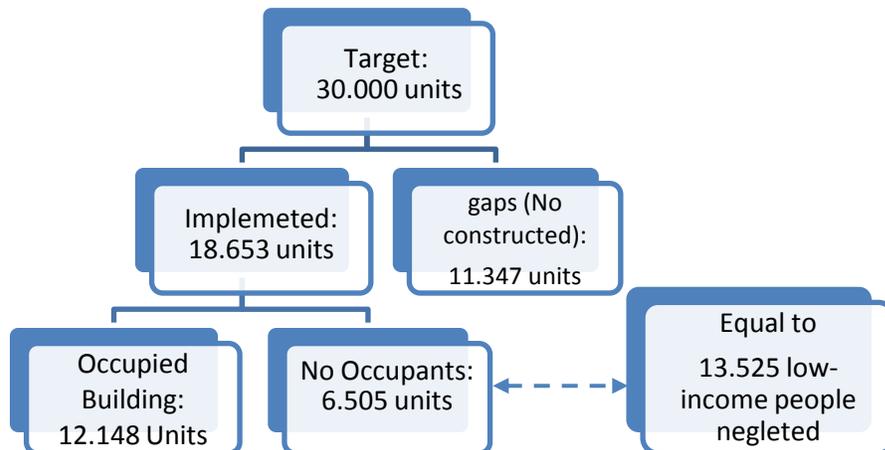


Table 4.1
The Number of Rusunawa Building Units without Occupant from 2005-2009

No.	Time of Period	Number of Unit Built	Number of unit with Occupant	Number of unit without Occupant	Percentage of Unit Occupied
1	Subtotal until 2005	2.084	1.704	380	81.76%
2	Subtotal 2005-2006	2.200	1.616	584	73.45%
3	Subtotal 2006-2007	4.032	3.072	960	76.19%
4	Subtotal 2007	560	560	-	100%
5	Subtotal 2007-2008	4.433	2.652	1.808	59.82%
6	Subtotal 2008-2009	5.344	2.571	2.773	48.11%
	Grand total	18.653	12.148	6.505	

Source: Unpublished report, Satker Kegiatan Pengembangan Permukiman, July 2011

From Table 4.6 above shows the highest percentage of Rusunawa building units, which is occupied by the poor, occurred in 2007 and all units has stayed totally (100%). On the other hand, the lowest percentage of Rusunawa building units, which is occupied by the poor, occurred in the period 2008 until 2009 that is only 48.11% of 5.344 Rusunawa building units that had been built.

As result of semi-structured interview to the head of sub-directorate of technical planning, Directorate General of Human Settlement, Mrs. Nieke Nindyaputri informed that:

“The caused of problems that occur in almost every region year after year are nearly the same that local government are the unpreparedness in technical and non-technical requirements as have been agreed base on the MoA. There is still unclear of land ownership status because of there is no issuance of building permit and land certificate and UPT is not yet been established.”

Consequently, because of no institution maintains the building, many Rusunawa buildings are being damage because of externalities factors: the changing weather and even many building elements such as tab, water pipe, and window were stolen by local people (DGoHS, 2009). Based on semi-structured interview to the project manager of Rusunawa (the member of *Tim Pokja*) Mr. Afriandi Pohan (2012), who said that:

“There are many losses experienced by local government because of the abandonment of Rusunawa building. The main thing is that poor people, who are willing to move from slum area and have been

promised to get a decent house to live in, are postpone in having such facility and become pessimistic about government promises. In addition, the government has to spend another extra cost to renovate or repair the building infrastructure that has been damaged or lost because of weather or stolen by people who are not responsible.”

However, the buildings must be maintained to prevent further damage. Because of remaining as national asset, the central government makes more budgets to repair the buildings. Of course, this is inefficiency.



Figure 4.6

Rusunawa in Kaligawe Semarang that severely in damaged condition with many elements have been stolen (above)and uninhabitable Rusunawa in Tambora, Jakarta (below)(Source:<http://www.jakarta.go.id>, <http://suaramerdeka.com>)

The successful implementation of Rusunawa development also depends on the preparedness of local government setting seriously Rusunawa program into RPIJMD. From table 4.7 below can draw the performance of local government in setting RPIJMD.

Table 4.2
Program Synchronization in RKAKL year 2012
To the RPIJMD (City and District)

NO.	SECTOR	Based on RKAKL of DGoHS of 2012	
		Synchronize to RPIJMD (%)	Not Synchronize to RPIJMD (%)
1.	Housing and Settlement Development	69.20	30.80
2.	Building and Neighborhood Development	80.87	19.13
3.	Environment and Sanitation Development	84.59	15.41
4.	Water Supply Development	60.79	39.21
5.	National	71.37	28.66

Source: Presentation, Sub-directorate of Performance Evaluation, DoPD, DGoHS, 2012

The table 4.7 tells about program synchronization in National Budget Plan, or better known as RKAKL/*Rencana Kerja Anggaran Kementerian/Lembaga*) of 2012 to the RPIJMD made by municipal and district governments. There are four sectors becoming main concern of the DGoHS, namely housing and settlement development; building and neighborhood development; environment and sanitation development; and water supply Development. Here, Rusunawa program inserts to housing and settlement development sector. From 497 total numbers of the cities /districts (MoHF, 2010), there are only 420 cities/districts that has set RPIJMD completely. Unfortunately, there are only 69,20% or 291 cities/districts that have made Rusunawa program into RPIJMD and synchronized with RKAKL of DGoHS. In other words, there is still having 129 cities/districts or 30.80% RPIJMD for housing and settlement sectors, which do not synchronize yet with RKAKL of DGoHS of 2012. In national scale, from the table 5.1 records the synchronization level in between RPIJMD and RKAKL of DGoHS is still 71.37% for all sectors.

This is as evidence that is low local political support from city governments as well as lack of priority to public housing provision. As result, many city governments overcome slums with demolition and eviction. Consequently, conflicts arise between slum people and governments.

4.11 Finding

After identifying the implementation of Rusunawa program, the research summarizes comprehensively some findings as the main cause of problems. The findings get from semis-

structured interview, secondary data collections (project report and (un)published report) and internet resources. The result findings are as follows:

- No Technical Management Unit (UPT),

Therefore, central government postpones maintenance transfer process to the local government until it is ready to form UPT, within readiness of technical and non-technical aspects. (DoPD, 2008, DoPD, 2011, Puteri et al, 2012). Technical aspects are technical skill of personnel in managing and controlling the Rusunawa building as well as empowerment of dwellers. Personnel of UPT also must have ability to manage budgeting systems in buildings management. As non-technical factors, local government has to release a local regulation, which regulates the establishment of UPT, includes its duties within coordination with dwellers as well. Until 2011, there were still no UPT in some cities and districts, such as Belitung and Pontianak cities, Serang district, Tarakan, Bengkulu cities, North Jakarta (Marunda), and Depok city (see appendix A.1).

- Location of Rusunawa building is far relatively from livelihood source location,

Not supported adequate accessibility (transportation solution) by local government, this circumstance creates a new problem to low-income groups, which will add burden on their living costs (DoPD, 2011). This phenomenon can be seen in Entikong district, (see appendix A.1).

- The absence of social and public facilities around Rusunawa settlement, such as schools, markets (traditional or modern) hospitals and places of worship that complement the building Rusunawa is one of the some constraints (DoPD, 2011). These can be found in Entikong, Palu city, Kolaka district and Mataram city. (see further in appendix A.1)

- Water and electrical connections,

Of course, people cannot live without water and need electricity to support their daily activities. Thus, without those connections, slum people are not interested in moving to Rusunawa building (DoPD, 2008). These occur in some districts and cities, such as Medan city (Belawan), Jakarta and Bandung (See Appendix A.1).

Actually, despite slum condition, slum people can easily get water and electricity connections even though they sometimes obtain illegally. So, that is why slum people are reluctant to stay in Rusunawa.



Figure 4.7 Water hoses from other source because lack of water supply in Rusunawa Merunda, Jakarta
(Source: <http://us.life.viva.co.id>)

- Completeness of technical and administration letters from local government, Because of has not fulfilled technical and administrative requirements assigned in the MoA, such as building permit (IMB), land certificate , audit report and acceptance letter of national asset (Rusunawa building) as local asset, central government does not give over yet Rusunawa building to local government or universities (DoFD, 2008, Princess et al, 2012). In addition, process of asset handover takes a long time.



Figure 4.8 Unoccupied Rusunawa in Bogor, West Java
(Source: <http://www.radar-bogor.co.id>)

- Legal basis for the submission of national asset,

No clear law and state regulation regarding maintenance transfer from national to local government and also asset transfer becoming local asset, this results to local government faces difficulty in allocating operational and maintenance budget for Rusunawa building management. Therefore, not all Rusunawa buildings in some regions in Jakarta city can be occupied.

"There are administrative problems that cannot be handed to the city government, because there are ministerial regulations of Finance, which decide the central government should not hand over their assets to local governments. Now, there is being looked for legal protection in order to be able submitted to the city government," (Wibowo, F, Governor of Jakarta Province, 2012).

Meanwhile, the existing law and regulation tends to prohibit local government in allocating its own local budget for maintaining national asset. Consequently, to accelerate the occupancy of Rusunawa building, some local governments set local regulation and mayor or regent decree as legal basis for Rusunawa building management, such as in Sidoarjo district, Karang Turi and Gulo Mantung districts. However, this way does not give law and legal guaranty for local governments because those local regulation and decrees is contradiction and not in line with the existing higher level of national asset law.

In the end of this chapter, this research concludes the emergence of this problem is because there is having miss-management among stakeholders involved, not local government solely. This should be overcome immediately. For investigating and analyzing the problems of Rusunawa building management to find the solution will be explain deeply in chapter 5.

Chapter 5

Analysis of asset management of Rusunawa building In Term of 2005-2009

After finding the causes of mismanagement buildings as noticed in chapter 4, the next step is to answer the last two research questions, which present in chapter 5. First, *how did the handover of Rusunawa building have implemented from central government as national's asset become local government asset?* As the third research question, it aims to evaluate and compare between the MoA and concept of Rusunawa program since planning until handover of Rusunawa building from central government to local government until maintenance and asset transfer process with the maintenance and asset transfer problems and findings. In this way, I will know in which part of the mechanism and criteria of Rusunawa program does not achieve based on the guideline of Rusunawa program. In other words, this is to find out the gap among the guideline, approved agreement and the implementation. The source finds out from literature reviews and semi-structured interview (see chapter 3), the analysis uses qualitative explanatory analysis, and it is tested to the theory of strategy and framework of asset management process (see chapter 2). *Second, how could public housing asset management system conducted in Indonesia?* The purpose of last research question is to develop a kind strategy of asset management system for managing the public housing in Indonesia. Secondary data collection and explanatory analysis are used in this research. The literature study, journal articles and lesson of asset management system for managing public housing from other experiences and practices are used as the base of secondary data collection.

5.1 Analysis

From findings that have already formulated, further analysis is performed to find the concept of effective asset management system for Rusunawa or public housing provision in order to prevent some problems that had occurred in 2005-2009. Analysis is done with using some experience and practices from different countries but still adjusting and adapting to the planning culture in Indonesia. Thus, effective asset management can provide benefits for large public welfare.

“Effectiveness asset management plays major role in delivering better outcomes for citizens, creating a sense of place and generating efficiency gains. Asset management should underpin, and contribute to, delivery of local vision and priorities as set out in the sustainable community strategy, the local area

agreement and the local development framework,” (Department for Communities and Local government, 2008)

Based on the discussion in chapter 2, the framework of asset management process, from pre-development to post-construction phase has described. In his writings, Gultom (2011) said that organizational level needs strategic, tactical and operational level, whereas management level requires total quality management. The interrelationship of organizational and management shapes asset management framework. The framework is as a reference to assist the implementation of Rusunawa management in Indonesia to be effective, including: business mission, external and internal analysis, goal formulation, strategy formulation, strategy appraisal, program formulation, implementation, feedback and control. Organization and management levels are as significant factors in the asset management process. Therefore, this reference will investigate and analyze performance of all tires of governance in the implementation of Rusunawa Program from 2005-2009 and find chance and opportunity to increase similar public housing program in the future.

5.1.1 Pre-development Phase

5.1.1.1 Business Mission

As written by Gruis et al (2004a), business mission of a company or social landlord focuses on the accommodation low-income groups and has to be encouraged with some decision factors in strategic housing management, one of them is a policy environment (see table 2.3). Government regulation, agreement with other parties and neighborhood development plans as key elements in policy environment. In accordance with this policy environment, central government in setting its business mission regarding slum improvement and public housing programs has worked well. As mentioned before, low-income housing provision has been legalized in laws and other government regulations, which has enforcing and binding nature.

Mostly, implementing program of public housing provision in Indonesia is initiative by central government. There are rare met local governments having housing program for the poor. They just accept this assistance program from central government. These are because of low local political support. The absence of local regulation on slum improvement through public housing provision triggers ineffectiveness of Rusunawa program.

In fact, local government can make a deal with central government for getting housing grant, despite not have yet local regulation support. National authority gives relief , which expects the local-regulation making process can be done simultaneously with process of Rusunawa

construction. Consequently, Rusunawa building that has finished cannot be occupied immediately, because of the absence of local legislation base to arrange Rusunawa development, including rents, occupancy and management of Rusunawa building and procedures for monitoring Rusunawa building as well.

In addition, no clear law and state regulation regarding maintenance transfer from national to local government and asset transfer becoming local asset, this results to local government faces difficulty in allocating operational and maintenance budget for Rusunawa building management. This occurs overlapping regulation between law and ministerial regulation of Finance that states local government is banned to allocate local budget for maintaining an asset if it is still as a national asset, so not all Rusunawa buildings in Indonesia can be occupied. As result, synergy of program development between higher to lower governance does not occur.

5.1.1.2 External and Internal Analysis

The next step after having strong business mission is external and internal factors. These mean policy makers have to find out the strength, weakness, opportunities and threat (SWOT) from both factors. The component of external factor is political, economic, social and technical development. Nowadays, technological development is not main constraint anymore in case of Rusunawa development. Developer can build a multi-storey housing as soon as possible with the availability of growing technology. However, political, economic and social conditions are more influence to the successful implementation of Rusunawa program.

First, political support from city and district governments tends to become local weakness. As we know, public housing has stated in national agenda, National Middle Term development Plan (RPJMN) (see sub-chapter 4.5). However, upon the lower level of government, there are still less commitment from local governments in carrying out a national mandate in addressing slum problems and the provision of public housing for low-income groups into local agenda. Although some small cities and even big cities have already set and slum improvement matters into their RPJMD, they are still lack of awareness within translating those matters into concrete program is like preparing housing program for the poor and this is just merely discourse. There are can be found in the RPIJMD produced by local governments. Generally, investments in local level are much more concern to street infrastructure and industry program, building and private housing market and others. As a result, slum in urban areas tends to be ignored. Even until now, as like evaluated by DGoHS (see information of table 5.1), there are only 69,20% or 291 cities/districts that have set Rusunawa program into RPIJMD and synchronized with RKAKL of DGoHS. This is as evidence that

is low local political support from city governments as well as lack of priority to public housing provision. As result, many city governments overcome slums with demolition and eviction. Consequently, conflicts arise between slum people and governments.

The unclear agenda makes direction of slum improvement policy through public housing provision for low-income groups to be vague. Demolition and eviction are not absolute ways to against slums. Through face-to-face dialogue among all stakeholders: all tiers of governments, private sectors and community have an important role in collaborative planning. In other words, public involvement has to consider in each step of planning process. (Innes et al., 2000). Collaboration and communication are good things to become one of elements in every planning process, including slum improvement process. Planning is considered as an interactive process because it will meet several norms and principles when it is implemented. Thus, it is need a kind of social rationalization from the actors involved (Healey, 2003). In addition, Allmendinger (2002) said that to accept communicative (collaborative) planning, *"its foundation planning as a redistributive activity must be accepted; of planners as more than apolitical arbiters between different interests; and most importantly, of planning as a participative process,"* (p.206). Therefore, win-win solution between community and government can be achieved.

Second, social and economic conditions relate to income local community, particularly low income groups. With limited income, they are reluctant adding high cost relatively for transportation. Local government policy regarding to provide affordable land for low-income people, regarding accessibility aspect or near relatively to livelihood source is to be ignored. Mandate law No.26 on spatial planning of 2007 obligating local government to provide space for social welfare is also neglected. This means less responsive to the slum by government tends to not prepared well for the effort to anticipate the spread of slum (Kusumawati, 2012). No space for slum in urban area is as absolute effort of government as policy makers. As result, many locations of Rusunawa building is far from center of economic activities, school market and hospital. Of course, slum people refuse to relocate to new place in Rusunawa building.

Moreover, because of limited local-economic condition, economic infrastructure development projects (such as roads, bridges, toll roads) and middle-up residential housing projects (such as apartments, condominiums) are more interesting options for city governments in their development directions rather than slum improvement projects and basic infrastructure development projects (such as water supply and sanitation). This indicates strongly that local governments are not ready yet setting non-profit program into RPJMD and RPIJMD. They seem to

receive hastily the housing assistance program from central government. Furthermore, Van den Broke (1998) determines landlord's stock, financial position and organization as internal factors that have to take into account in the asset management process. Internal factor emphasize to the internal forces that is owned by local government.

Meanwhile, as internal factor social landlord's stock in local level, local governments must supply land for public development and have security of tenure for low-income groups. In fact, land for Rusunawa building, which is proposed for Rusunawa development still has meet obstacle in land acquisition process. Even until the handover of finished work (from developer to central government), local governments do not have yet land certificate and building permit, although those are as requirements for following Rusunawa program (see figure 4.4). Actually, they must fulfill land preparation and building permit requirements in planning and design phase of proposal process of Rusunawa development. This obligation also is written in the legal agreement, MoA between national and local government, so that is why many Rusunawa buildings cannot be conducted maintenance and even asset transfer to local government. Then, a question may arise: Why can *Satker Rusunawa, Pokja Rusunawa and TP* pass local government who are not ready and prepared well its land status? This means the discipline, strong commitment and regulation enforcement from both sides; national and local governments are still fragile. Central government should be strict within conducting local selection. Local government who is ready with all administrative and technical requirements, they will be decided to follow Rusunawa program. Inversely, central government will postpone local governments who are not feasible upon those both requirements. Thereby, these are as an effective way to prevent land status problem in future.

Another major internal factor is landlord's organization that is also crucial to manage, monitor and control housing matters in local level. Related to public housing program, I think ineffectiveness of housing and settlement institutional systems at national, regional and local level is also as a main reason why public housing program cannot perform well. Discussing public housing organization in national level, duties and functions of public housing development are executed by both ministries, ministry of public works and ministry of public housing. The impact, overlapping tasks and responsibilities are vulnerable occurred to Rusunawa program. Consequently, this circumstance can confuse lower level of government in coordinating preparation and participation of Rusunawa program. Moreover, no public housing institution in the regional and local level is more unclear direction of public housing policy in Indonesia.

In addition, effectiveness of public housing organization also must be supported by government officers who are competent in giving services and access to the public society. In fact, governance system in the service and access to housing land rights, especially for low-income groups, services and access to credit and/or rental public housing; and public complainant against the land and adequate housing opportunities constitutes some constraints currently faced by low-income groups. Therefore, capacity building of government officers in all tiers of government national also has to be improved professionally.

Discussing Rusunawa development, local government as a local public landlord, has to set UPT as a local-housing management organization. UPT has to be established before signing MoA. In other words, the establishment of UPT should be done by local government as one of some technical requirements, which must be fulfilled to participate in Rusunawa program. UPT constraint is the same case as land certificate and building permit constraint as mentioned above. Consequently, Low-income groups cannot inhabit promptly after Rusunawa building finishing constructed. Central government cancels to execute the maintenance handover of Rusunawa building to local government until completing form UPT that has main tasks to determine occupancy, and building management matters, monitor, and control after post-construction of Rusunawa building as well.

5.1.2 Planning and Design Phase

5.1.2.1 Goal and Strategy Formulations

There are several measurable business goals of public housing analyzed by Gruis et al. (2004a), namely:

- Investment for the public housing development

In general, goal formulation of Rusunawa investment has been stated within planning and policy of Ministry of Public Works who has planned to build 30.000 units of low cost rental flats in term of 2005-2009. However, the end of 2009 there were backlog 11.347 units. The various problems emerged are as mentioned in sub-chapter 5.1. Besides, the occupancy issue is still happening in some places. Rusunawa that should be invested for low-income groups, in fact many are stayed by the middle class and/or higher income groups, such occurred in Tebing Tinggi City, North Sumatera Province.

"Rusunawa building in Tebing Tinggi City, which consist of 192 units were nearly 80% of the dwellers are not main target groups, instead of middle-up income groups, such as civil servants, businessmen, employees of private and public enterprises," (Sofyan, E., 2010).

- Availability, Affordability and Sale

Generally, rents of Rusunawa building for low-income people are affordable. Through its own authority, local government determines rents rely on Regional Minimum Wages (*UMR/Upah Minimum Regional*) analyzed from social and economic conditions. Therefore, the presence of Rusunawa development is perceived to give much utilization by public society.

- Quality of public housing

The government has strived to give the best effort to large public prosperity. Related to public housing, Rusunawa building must be equipped with eligible supporting infrastructure, Such as electrical connections and clean water, accessibility, sanitation, public space and others. However, those cases still emerge because of low quality of Rusunawa building.

"Nearly 80% of Rusunawa building unit in Jepara District, Central Java province undergone damage, largely due to the installation leakage of water pipes.....,"(Hadi, S., 2011).

Those are caused by the lack of supervision from central government as the asset owner of Rusunawa building and low capacity and competence of developers who tend to find higher profit. Further explanation can be seen in next sub-chapter 5.2.4.

5.1.2.2 Strategy Appraisal

Gruis et al., (2004a) mention that the strategy appraisal is a check made to measure whether strategy formulation determined is realistic from a financial and technical point of view; and also whether strategy formulation is in line with the government regulation and commitments to various stakeholders, particularly tenant and local government.

Discussing Rusunawa development, strategy appraisal was not done comprehensively by the central government whether budget and investment from local government for the sustainability and maintenance of Rusunawa building were supplied or not. There are still some buildings in several cities and districts are not treated properly, so the quality of the building from year to year has deteriorated. Consequently, this situation brings impact to the quality of life and health of low-income households.

Checking against law, regulation and MoA also was rare carried out. In such Land status, technical and administrative documents constraint often emerges in future. Indeed, those constraints can be prevented if the goal and strategy formulations are confirmed and adjusted to those regulations. As results, many Rusunawa building constructions do not give desired result.

5.1.3 Construction Phase: Program Formulation and Implementation

Mostly, construction process of Rusunawa building over 5 years performed well relatively. As said by Irvin and Stansbury (2004), the building trust among participants as well as the setting clear policies in environmental management can be built through transparent decision-making process as one of some strategies. In accordance with that transparent theory, the candidate-selected developer had selected through a procurement process based on the mechanism of Presidential Decree No. 80 on the implementing guidelines and procedures of procurement of goods and services 2003 to uphold the values of openness, transparency and fairness traditions.

The experience and competence of developers is competed each other. Because this public housing project, developers should consider not pursue profit solely. The best effort from the selected developer should be provided, such as completing construction on schedule, obeying professionally to architectural and technical requirements in the design standards. If selected developer is unable to meet all requirements in the design standard, government should not hesitate to give a sanction for developer's failure.

If Housing Associations are unable to demonstrate their added value, they will forfeit their specific status and lose ground to traditional market players (Priemus, 2003, P.279).

5.1.4 Post-construction phase: Feedback and Control

A process of management only has a chance of success if all stakeholders feel a sense of urgency (Bruijn et al., 2002). This statement is in line with slum problems that should be arranged immediately without prejudicing right of slum people for getting decent housing, so monitoring and evaluation should be done in each step of asset management framework, from stipulating business mission to implementation of Rusunawa program. This aims solely to ascertain performance of all stakeholders as actors remain on the track of target and main goal of Rusunawa development. Control must be performed to measure of both national and local tasks and responsibilities. Besides, supervision is to minimize and even prevent totally complicated and risky challenges, such as higher cost, delay in finishing construction and handover of Rusunawa as asset local government. As representative of national authority, *Satker Rusunawa*, *Pokja Rusunawa* and *TP* analyze professionally from beginning performance local authorities. They must ensure all requirements of the proposal document fulfilled. If, there is one requirement not satisfied, central government postpones insist initiative local government to join within Rusunawa program and continue until local government completing all requirements. Sometimes, all parties involved see chance to

negotiate all matters. We should be aware is that through collaborative planning, everything can be negotiated, so the quality and the quantity of actors involved in this process is very important. Dryzek (1997) in Hajer's writings reminded that powerful actors who feel threatened by this communicative activity may try to take over the development process at the level of discourse. (Hajer et al., 2006). The problem rose in every strategy and fromawork of Rusunawa asset management process happens because lack of feedback and control. Then, a question arises: who will conduct inspection if all tiers of government as executors of Rusunawa Development? Therefore, the involvement of public participation has an important role in the each step of collaborative planning, including monitoring and control. Unfortunately, even though within both law No. 26 of 2007 (spatial planning) and law No.20 of 2011 (multi-storey housing) emphasizes the role of community in the supervision and control of multi-storey housing, yet in fact, chance of public participation within entire steps of Rusunawa development process are still lack. Thus, the capacity and competence of community representatives that involves in the decision making process and planning practices are essential.

As written by Irvin and Stansbury (2004), one factor that ensures the public participation process can be run more effectively is a clear authority and the competence of stakeholders involved including local community. Therefore, the research proposes an independent supervision organization as a public representative organization legalized by the state within all tiers of government, which task to supervise, monitor and control the performance of government institution. This is because until now, state does not have yet internal organization that monitor the management of housing and settlement system in Indonesia.

Chapter 6

Conclusion, Recommendation, Theoretical Refection

6.1 Conclusion

Nowadays, multi-storey housing is still deemed a new type-housing program. Community is still not accustomed to live in vertical building and more prefer living in conventional housing type (Kirmanto, 2007). However, the cause of urbanization impact, the multi-storey housing demand is inevitable anymore and it appraised is appropriate with scarcity of urban land.

Because of many requests from local governments and limited-national budget reason, central government has to select local governments. Local government appraised is feasible to get this grant-housing program if it fulfills the requirement. Then, they are bounded by a legal agreement in MoA document.

Discussing the implementation of Rusunawa program, Rusunawa development has been implemented since 2003, but it executed effectively in 2005. From 2005 until 2009, central government has been built 18.653 units of 30.000 units targeted in the Strategic Plan of Directorate General of Human Settlements. There are still having gaps of 11.347 units of Rusunawa building that are not successfully built. From 18.653 units of Rusunawa building, those are only 12.148 units occupied and their statuses have been transferred to local government and universities for maintaining the buildings. However, none of 12.148 units has become local asset permanently. This means, there was not implemented asset transfer from central to local government and university. Further, this research evaluates that the total gaps of Rusunawa building without occupants are 6.505 units or 34,87% of total building constructed.

Overall, the research summarizes comprehensively the some findings as the main cause of problems. The findings get from qualitative data collection and semis-structured interview. As result, the findings are drawn as follows: no Technical Management Unit (UPT); location of Rusunawa building is far relatively from livelihood source location; the absence of social and public facilities around Rusunawa settlement; no water and electrical connections; completeness barrier of technical and administration letters from local government; and overlapping legal basis for the submission of national asset,

From findings above, analysis further is performed to find a kind strategy of effective asset management system for Rusunawa or public housing provision in order to prevent some problems that had occurred in 2005-2009. Analysis is done with using some experience and practices from other countries, but still adjusted and adapted to the planning culture in Indonesia. In one side, the theory of strategy and asset management process (Gruis et al. 2004a), also contribute primarily within the analysis. The analysis generated through the stage process of strategy and framework asset management is:

Firstly, in the pre-development phase: strong business mission through government regulation, public housing program and slum improvement plan has worked well. However, at local level, there are met rarely local governments having housing program for the poor. They just accept this assistance program from national government. This is because of low local political support. In fact, local government can make a deal with central government for getting housing grant, despite not have yet local regulation support. In addition, the overlapping government and ministerial regulations make still unclear status of Rusunawa building. Consequently, low-income groups are more neglected.

Beside business mission approach, political support through the forming of RPIJMD becomes the local weakness in developing Rusunawa program. This is as evidence that is low local political support from city governments as well as lack of priority to public housing provision. As result, many city governments overcome slums with demolition and eviction. Consequently, conflicts arise between slum people and governments.

Besides political support, social and economic conditions as external factor are necessary in considering in the pre-development phase of asset management process. Unfortunately, the values of social condition are being neglected by local government such as, the location placement of housing which is quite far from livelihood source and the local government economic infrastructure projects (such as toll roads and condominiums) rather than slum improvement program

Meanwhile, as internal factors: land for public housing public housing organization and competence government official also become some constraint in implementing asset management system at local level.

Secondly, in the planning and design phases, goal formulation of Rusunawa investment has been stated within planning and policy of Ministry of Public Works that has planned to build 30.000 units

of low cost rental flats in term of 2005-2009. Strategic formulation of housing rents also evaluated generally is affordable for low-income groups,

However, local government is still lack of awareness to the housing quality strategy. Many quality of Rusunawa buildings do not fulfill the requirement of technical standard, , without water and electrical connection. Those are caused by the lack of supervision from both level government and low capacity and competence of developers who tend to find higher profit.

Discussing Rusunawa development, strategy appraisal was not done comprehensively by central government, whether budget and investment from local government for the sustainability and maintenance of Rusunawa building were supplied or not. There are still some buildings in several cities and districts are not treated properly, so the quality of the building from year to year has deteriorated. Consequently, this situation brings impact to the quality of life and health of low-income households.

Checking against law, regulation and MoA also was rare carried out. In such Land status, technical and administrative documents constraint often emerges in future. Indeed, those constraints can be prevented if the goal and strategy formulations are confirmed and adjusted to those regulations. As results, many Rusunawa building constructions do not give desired result.

Thirdly, the construction process of Rusunawa building over 5 years performed well relatively. This is because the candidate-selected developer had selected through a procurement process based on Presidential Decree No. 80/2003, which upholds the values of openness, transparency and fairness traditions. Hence, the best effort from the selected developer should be provided, such as completing construction on schedule, obeying professionally to architectural and technical requirements in the design standards. If selected developer is unable to meet all requirements in the design standard, government should not hesitate to give a sanction for developer's failure.

Fourthly, in the post-construction phase, the shortcoming of feedback and control become the cause of problem arises in the strategy and framework of Rusunawa asset management process. The role of community as one of the controller actor of Rusunawa implementation program as mandate on the law has not been done. The chance of public participation within entire steps of Rusunawa development process is still lack. Monitoring and evaluation will be difficult to be done if the government also takes a role as an executor in the development program. Therefore, an independent supervision organization as a public representative organization legalized by the state

which tasks to supervise, monitor and control the performance of government institution is really essential.

6.1.1 Theoretical Implication

As discussed previously, this research is using the strategy and framework of asset management delivered by Gruis et al. (2004a) who developed the basic theory from Kotler (1997). However, the theory does not explain thoroughly about the coordination among the actors involved, directly or indirectly, in the process of asset management. This research evaluate and assess that Indonesia as a develop country practically has been develop this process in asset management, in this last three decades focuses on the provision of public housing for low income groups. The theory could be a base for consideration in developing asset management syatem fro public housing provision which further expectation could give positive impacts to public housing development in the future.

6.1.2 Practical Implication

Because of every planning system in every country are different, this research assess that the theory of asset management process will be appropriate and comprehensive to be conduct in develop countries. In which have a government system and planning culture like for example in the Netherlands even though the implementation in management system not as the community expectation.

From the beginning, housing build by HAs is a local government asset because has been fund from the Netherlands government subsidy, in which the role of government is as a regulator. HAs could be flexible in running the strategy and the process of asset management system. This is different in Indonesia, where central governments who have the housing fund act alone as the executor of Rusunawa development by pointing third parties through bidding process. The local government only passively acts only through receiving the construction work from central government.

Therefore, to make the strategy and asset management process runs effectively in Indonesia, the country developing a multi storey housing program should change the financing system as practical policy implication with giving directly the housing fund to local government. This is being given to local government who considered ready in administration, rules, fund, (maintenance budget and organization. Therefore from the beginning, the housing that is developed becomes local asset. This is being done too run the government decentralization in more effective and efficient.

6.2 Recommendation

From conclusion explanations above, there are some suggestions to all stakeholders from different levels of government in order to the Rusunawa problems occurred in term of 2005-2009 can be prevented in the future.

- **Pre-development Phase**

At national level, the state should intervene in the existing ministerial regulations that hamper the implementation of building maintenance transfer and its asset handover. The Need of intensive coordination between relevant ministries (such as Ministry of Finance, Public Works, Public Housing, Home Affairs, Ministry of Education and National Land Agency) in setting renew ministerial regulations is necessary for accelerating the implementation of the grant Rusunawa building. However, renew ministerial regulations remain still refer to laws. Hence, the process of implementation of building maintenance and asset handover transfer does not take relatively long time.

Besides, the implementation of the program should not be handled by two ministries as like occurred within Rusunawa program, so state has to stipulate a main ministry in executing public housing program in order to avoid overlapping duties and functions of the ministry.

EB of public multi-storey housing development as an independent registered board must be formed immediately by central government in which several tasks are to execute and accelerate constructing public multi-storey housing development and ascertain this kind housing only owned or occupied by low-income groups as like state mandate within law No.20/2011. Therefore, the role of central government as a regulator and executor of multi-storey housing development for low-income groups can be separated. Moreover, by the formation of EB is expected to facilitate local government and community within forming UPT and PPPSRS.

This research assess that the formation and the role of EB is the same with HAs which has been establish long before and has been registered by the government of the Netherlands. Therefore, the performance of the EB always has to be evaluated and monitored to be on the track in conducting the national mandate.

At local level, the presence of local regulation regarding to slum improvement plan and public housing program is crucial for the sustainability of public housing development. Thus, local authorities should prepare and set local regulations and refer to higher regulations: law and national regulations in order to prevent the overlapping rules.

- **Planning and design Phase**

Moreover, technical guidance to arrange public housing development, including its rents, occupancy and monitoring procedure has to be prepared carefully before the MoA agreed between central and local governments. Then, Local authorities have to set investment of public housing provision within RPIJMD, as result of translating slum improvement matters within RPJMD.

Discussing social landlord's stock in local level, local governments must supply land for public development and have security of tenure for low-income groups and set UPT as a local-housing management organization as well. Those are some of local requirements within the proposal document of Rusunawa program before MoA assigned. All tiers of government should have strong commitment to execute professionally entire agreements and rules.

- **Construction Phase**

Because this public housing project, developers should consider not pursue profit solely. The best effort from the selected developer should be provided, such as completing construction on schedule, obeying professionally to architectural and technical requirements in the design standards. If selected developer is unable to meet all requirements in the design standard, government should not hesitate to give a sanction for developer's failure, based on Presidential Decree No. 80 on the implementing guidelines and procedures of procurement of goods and services 2003.

- **Post-construction Phase**

In both law No. 26 of 2007 (spatial planning) and law No.20 of 2011 (multi-storey housing), the involvement of public participation should be largely given in the each step of collaborative planning, including monitoring and control. Besides, the competence of community representatives that involves in the decision making process also should be improved.

As one solution, the research proposes an independent supervision organization as a public representative organization legalized by the state within all tiers of government, which task to supervise, monitor and control the performance of government institution within each phase of public-housing development project. This is because until now, state does not have yet internal organization that monitor the management of housing and settlement system in Indonesia.

Finally, the occupants of unit multi-storey housing are also required to shape immediately Association of PPPSRS, which obligate to arrange the interests of the owners and occupants relating

to the management of joint ownership of common land, objects and residential (Law 20/2011 article 75, par.3).

However, the successful implementation of the program depends on the extent the development actors involved obey to the rules underlying Rusunawa program and commit to the agreement asserted in the MoA. Although the concept of asset management system created by a government as good as possible, but if not supported by the competence and professionalism all stakeholder: government, private sectors and community, the successful implementation of Rusunawa development cannot be reached.

6.3 Reflection

Based on the research that has been conduct so far, it should need more study in asset management system to obtain an approach in asset management system theory which is more effective by elaborating with the theory from this research. This research also is using secondary data and interviews with limited resources according to the distance with the case study of research and limited of time. The research should use empirical and primary data to gain more accurate and comprehensive analysis.

This research recommends to have acceleration in establishing EB as an independent board to execute and accelerate constructing public multi storey housing development. Therefore, a study to measure the EB effectiveness and efficiency in developing multi storey housing management in Indonesia should be conducted.

Appendix

A.1 Problem Map of Rusunawa Building Without Occupant in Term of 2005-2009

No.	Province	City or District	Number of Unit	Problem
1	Riau	Batam, Muka Kuning	160	Clear
2	Jawa Barat	Cimahi, Cigugur Tengah	192	Clear
3	Banten	Tangerang, Manis Jaya	144	Clear
4	Jawa Tengah	Surakarta, Begalon	96	Clear
5	DI Yogyakarta	Yogyakarta, Cokrodirjan (Kali Code)	72	Clear
6	Jawa Timur	Surabaya Penjaringan Sari	192	Clear
		Surabaya Wonorejo	96	Clear
		Surabaya Penjaringan Sari	96	Clear
		Gresik	96	Clear
7	Sulawesi Selatan	Makassar, Daya	96	Clear
SUB TOTAL 2003-2004			1.240	
8	Sumatera Utara	Medan, Belawan	96	Clear
9	DKI Jakarta	Jakarta Utara, Marunda	300	No UPT, land Acquisition
10	Jawa Barat	Depok, Cimanggis	96	Clear
		Bekasi, Jaya	96	Clear
		Bogor, Menteng Asri	80	Clear
		Karawang, Jl. Taruno	80	
11	DI Yogyakarta	Sleman	96	Clear
SUB TOTAL 2004-2005			844	
12	Sumatera Utara	Tanjung Balai, Sei Raja	96	Clear
		Medan, USU	96	Clear
13	Sumatera Selatan	Palembang, Kasnaryansyah	96	Clear
14	DKI Jakarta	Jakarta Utara, Marunda	200	Land Acquisition
15	Jawa Barat	Bogor, Menteng Asri	80	Clear
		Bandung, Cingised	96	Clear
		Parung Panjang,	288	Land Acquisition

		Bogor		
16	Jawa Tengah	Semarang, Kali Gawe	96	
		Semarang, UNDIP	96	Clear
17	DI Yogyakarta	Yogyakarta, UGM	96	Clear
18	Jawa Timur	Sidoarjo, Tambak Sawah	96	Clear
		Surabaya, Wonorejo	192	Clear
19	Kalimantan Barat	Entikong	96	Accessibility
20	Kalimantan Timur	Nunukan, Kws. Sedadap	96	Clear
21	Sulawesi Selatan	Makassar, Marisso	288	Clear
22	Papua	Jayapura, Dok 9	96	Clear
		Jayapura, UNCEN	96	Clear
SUB TOTAL 2005-2006			2200	
23	Sumatera Utara	Medan/Belawan	96	Clear
		Medan, USU	96	Clear
		Tanjung Balai	96	No Clear target groups, Accessibility
24	Sumatera Selatan	Palembang, UNSRI	192	Clear
25	Sumatera Barat	Padang (Unand)	96	Clear
26	Jawa Barat	UNPAD, Sumedang	192	Clear
		Bandung/Cingised	96	Clear
		Bandung, ITB	96	Clear
		Depok	192	No UPT, Land Acquisition
27	Jawa Tengah	Semarang, Kaligawe	192	Waiting Administrative letters of PBMN from MoF
		Surakarta, Begalon	96	Clear
		Sukoharjo	96	Clear
		Cilacap	96	Clear
		Semarang, UNDIP	192	Waiting Administrative letters of PBMN from MoF
		Karanganyar	96	Clear
28	DI Yogyakarta	Yogyakarta, Kalicode	96	Clear
		Yogyakarta UGM	96	Clear
		Yogyakarta UMY	288	Clear
29	Jawa Timur	Surabaya, ITS	384	Clear
		Sidoarjo	192	Clear
		Surabaya (Sidotopo)	288	Clear
		Gresik	192	Clear
30	Kalimantan Selatan	Banjarmasin (Kelayan Selatan)	96	Clear
31	Sulawesi Selatan	Makassar, UNHAS	192	Completeness of documents from university
		Makassar Kota	96	Clear
32	Sulawesi Utara	Bitung	96	No land certificate
33	Papua	Jayapura, UNCEN	96	No IMB, Completeness of local documents
SUB TOTAL 2006-2007			2200	

34	Lampung	Bandar Lampung	96	Land Acquisition
35	Jawa Barat	Bogor	80	Land Acquisition
36	Jawa Tengah	Pekalongan (Krapyak)	96	Land Acquisition
		Wonosobo, UNSIQ	96	Land Acquisition
		Surakarta, UNS	96	Land Acquisition
37	DI Yogyakarta	Sleman	96	Land Acquisition
SUB TOTAL 2007			560	
38	Kepulauan Riau	Batam 1 (Sekupang)	198	Clear
		Batam 2 (Sekupang)	198	Clear
39	Sumatera Utara	Medan (Belawan)	96	Completeness of local documents, No electrical and water connections
40	Bengkulu	Bengkulu	96	No UPT
41	Lampung	Bandar Lampung (Keteguhan)	96	Clear
42	DKI Jakarta	Komarudin	200	Land Acquisition
		Cipinang Besar Selatan	200	Land Acquisition
		Pinus Elok 1	200	Land Acquisition
		Pinus Elok 2	200	Land Acquisition
		Cakung Barat	160	Land Acquisition
43	Jawa Barat	Bogor (Menteng)	80	Completeness of local documents
		Bandung (Cingised)	96	Completeness of local documents
44	Jawa Tengah	Sukoharjo	192	Completeness of local documents
		Solo (Unv.Muhammadiyah)	96	Clear
		Pekalongan (Krapyak)	192	Completeness of local documents
		Karang Anyar (Sroyo)	96	Clear
		Cilacap (Tg. Kemulyaan)	96	Clear
		Semarang 1 (Kaligawe)	198	Clear
		Semarang 2 (Kaligawe)	198	Clear
45	DI Yogyakarta	Yogyakarta (Tg. Ponggung)	96	Clear
		Yogyakarta (Gowongan)	96	Clear
46	Jawa Timur	Surabaya (Tanah Merah)	192	Clear
		Sidoarjo (Tambakwaru)	96	Clear
47	Kalimantan Timur	Samarinda	96	Clear
		Tarakan (Boom Panjang)	99	No UPT
48	Kalimantan Tengah	Palangkaraya	96	Land Acquisition
49	Sulawesi Tenggara	Kendari	96	Completeness of local documents
		Bau-Bau (Barataguru)	198	Clear
50	Sulawesi Selatan	Makassar, UNISMU	192	Clear
		Luwu Timur, Malili	288	Clear

SUB TOTAL 2007-2008			4.433	
51	Nangroe Aceh Darussalam	Banda Aceh	198	Clear
52	Sumatera Utara	Kota Tebing Tinggi	198	Clear
		Kota Medan	198	Completeness of local documents
53	Kepulauan Riau	Kota Batam (Muka Kuning)	198	Clear
54	Bangka Belitung	Kota Pangkal Pinang	198	Clear
55	Banten	Kota.Tangerang	198	Clear
		Kab.Serang	96	No UPT
56	DKI Jakarta	PTIQ, Jl. Pasar Jum'at	99	Land Acquisition
		DKI, Jl. Komarudin 1 & 2	400	Land Acquisition
57	Jawa Barat	Kota Bandung Sadang-Serang	99	No UPT
		Kota Bandung Cingised	99	Completeness of local documents
		Kab. Cimahi 1 & 2	297	Completeness of local documents
58	Jawa Tengah	Kabupaten Semarang	99	Clear
		Kota Surakarta, Kel Semanggi	198	Clear
		Kab. Kudus	198	Clear
		Kab. Jepara	99	Clear
59	DI Yogyakarta	Kab.Bantul	198	Clear
		Kab.Sleman	99	Clear
60	Jawa Timur	Kota Surabaya (Kalikedinding)	198	Completeness of local documents
		Kota Surabaya (Penjaringan sari)	99	Clear
		Kota Sidoarjo (Agro)	198	Clear
		Kab.Sidoarjo, Ngelom	198	Land Acquisition
		Kota Probolinggo	99	Clear
		Jember	99	Clear
61	Nusa Tenggara Barat	Mataram	99	Completeness of local documents
62	Kalimantan Barat	Kota Pontianak, Kel.Sungai Beliung	99	No UPT
63	Kalimantan Selatan	Banjarmasin	96	Land Acquisition
64	Kalimantan Timur	Kota Balikpapan	99	Land Acquisition
65	Sulawesi Selatan	Kota Makassar, Mariso	198	Completeness of local documents
		Kota Makassar, Daya	99	Clear
66	Sulawesi Tenggara	Kab. Kolaka	198	Land Acquisition
67	Sulawesi Tengah	Kota Palu	99	No UPT
68	Sulawesi Utara	Kota Manado	99	Land Acquisition
		Kota Bitung	99	No UPT

	Kota Bitung	99	No UPT
SUB TOTAL 2008-2009		5.344	
GRANDTOTAL 2005-2009		18.653	

Source: Unpublished Report, Satker Rusunawa, 2011

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