

Indonesia Slum Upgrading Program From collaborative to co-production

Master Thesis
Double Degree Program
Environment and Infrastructure Planning (RuG)
& Urban and Regional Planning (ITB)



by
Moniq Adinafa
Rug: S4490223
ITB: 25419020

Supervised by dr. Emma Puerari
Prof. Ir. Haryo Winarso M.Eng., P.hd

Groningen, July 9th 2021



image source:
<https://www.behance.net/gallery/19528049/Future-Cities-Future-Slums-Typography-elements>

Three Generation of Slum Upgrading In Indonesia

pre independence

Kampoeng Verbeteering
Awareness of Physical Improvement



1960-
1980



first generation

- Technical Rationale;
- Kampung Improvement Program;
- Focused on Physical Improvement

second generation

- Advocacy Planning,
- Focus on physical development and urban management,

1981-
1990



third generation

- Enhance Local Economic together alongside physical improvement
- Community-based Development Program
- Co-production

1990 -
Now



Tables of Contents

| | |
|---|----|
| Tables of Contents | 2 |
| List of Table..... | 3 |
| List of Figure..... | 3 |
| Abstract..... | 4 |
| Chapter 1. Introduction | 5 |
| 1.1 Research Background | 6 |
| 1.2 Research Objective | 8 |
| 1.3 Chapter Outline | 9 |
| Chapter 2. Theoretical Frameworks | 10 |
| 2.1 Communicative and Collaborative Planning..... | 10 |
| 2.2 Co-Production..... | 14 |
| 2.3 What factors influence co-production?..... | 17 |
| 2.3.1 Factors from the government side | 17 |
| 2.3.2 Factors from the Citizen side | 18 |
| 2.4 Co-production in Slum Upgrading | 19 |
| 2.4.1 Slum and Slum Upgrading. | 19 |
| 2.4.2 Slum as Urban Informality and the Need of Co-production in Slum Upgrading | 21 |
| Chapter 3. Methodology..... | 24 |
| Chapter 4. Current Situation of Slum Upgrading in Indonesian | 28 |
| 4.1 General Context..... | 28 |
| 4.2 Indonesian Slum Upgrading Experience | 29 |
| 4.3 Kota Tanpa Kumuh (KOTAKU)..... | 36 |
| Chapter 5. Finding: How Co-production Emerge In Indonesian Slum Upgrading Program: The KOTAKU ... | 44 |
| 5.1 Negotiation Process..... | 45 |
| 5.2 Influence Factors | 48 |
| 5.2.1 Influence Factors from Government Side | 48 |
| 5.2.2 Influence Factors from Community Side | 51 |
| Chapter 6. Conclusion and Reflection..... | 53 |
| 6.1 Conclusion | 53 |
| 6.2 Reflection and Recommendation for Further Research | 54 |
| References | 56 |

| | |
|------------------|----|
| Appendices | 62 |
|------------------|----|

List of Table

| | |
|---|----|
| Table 1 Research Methodology | 25 |
| Table 2 Analysis of Influences Factors | 27 |
| Table 3 Legal Framework of Indonesian Slum Upgrading Program..... | 29 |
| Table 4 Lesson Learned From Three Generations Of Slum Improvement In..... | 35 |
| Table 5 Regime Matrix power, legitimacy and resources in KOTAKU in negotiating collaboration..... | 47 |

List of Figure

| | |
|--|----|
| Figure 1 Conceptual Model..... | 27 |
| Figure 2 THREE GENERATION OF INDONESIAN SLUM UPGRADING | 31 |
| Figure 3 project Location of KOTAKU..... | 37 |
| Figure 4 The Chronology of Community-based development program | 38 |

Abstract

Indonesia's slum upgrading experience for more than six decades shows that the universalization of planning theory has produced unsatisfactory results. The technical approach with dominant government-oriented intervention in slum upgrading used in the 70s proved ineffective and was soon replaced with an advocacy approach. Later evaluations showed that limited community involvement appeared to be a weakness of advocacy, resulting in low community motivation in maintaining infrastructure. Learning from this experience, the attention of policymakers began to shift to a community-based development approach. Unfortunately, the community-based development approach has not yielded maximum results. One of the reasons was that the community organizations need strong support from the government to become self-reliant. Learning from this experience, collaborative planning theory that has been a guide in the planning world since the 1980s is defined more broadly according to local contexts and issues. Through KOTAKU – the latest national slum upgrading program- this thesis aims to see how the nuances of co-production emerge in a collaborative planning environment that is firmly entrenched in Indonesia. This thesis was conducted by utilizing the literature, policy documents and interviews with key stakeholders. Study results indicate that aspects of public organization, attitudes, culture, and incentives influence the government in shaping co-production, while society is influenced by characteristics, awareness, and social capital. By understanding how co-production appears in n slum upgrading, it is hoped to open an opportunity to scale up the co-production approach and apply it in other development programs and public service delivery policies.

Keyword: Co-production, Slum Upgrading, KOTAKU, Communicative and Collaborative

Chapter 1. Introduction

The communicative and collaborative planning theory has been the primary reference in planning since the 80s around the world, brought into developing countries through experts and international organizations like as the World Bank, the United Nations and other donors organizations, began to be debated by experts. Planning theory constantly changes in response to changing socio-economic conditions and the growth of social and philosophical theories, while planning practice is context-dependent, meaning that there are different characteristics and experiences of participation at different times and places (Brownill and Carpenter, 2007). The current planning debate on state-community engagement is shifting to a “post-collaborative phase” (Brownill and Parker, 2010), focusing on local issues and contexts.

The shift from the “north to south” discussion in planning theory departs from the idea that planning theory is not universally applicable. Starting from the shift from the modernist that prioritizes rational and technical approaches towards postmodernism, the paradigm in planning has now begun to pay attention to planning in the global south, or by borrowing Watson (2016) term “*the southern theorizing project*”. The reason is that Habermas’ concept of power and consensual dialogue is deemed unsuitable to be applied in the global south (ibid). Watson, in her work “View from the south” (2009), suggests that planners should reflect on “northern origin planning” to understand the complexities of the city. At the same time, Scott and Storper (2015) argue that urban complexity and the dynamics of urbanism in the southern context bolster the view that the distinctive processes and factors that compose cities are impossible to capture in a single universal theoretical model. The idea emerged that planning had to adapt to different circumstances in the global south where the pressure of rapid urbanization was high with their respective characteristics such as poverty, unemployment, poor infrastructure, political configuration and interaction of social structures.

The different conditions of the liberal democratic system have triggered the search for an alternative governance system that involves the state-society. Fung and Wright (2003) argue that formal democratic systems do not effectively achieve democratic political ideals. Therefore, we must concentrate on empowering participatory governance that rests on commitment and social capacity (ibid). Furthermore, public policy studies have recognized that civil society is an important actor responsible for providing public goods and services. Consequently, citizen involvement is considered a powerful way to overcome real or perceived challenges in the efficient, democratic, and effective provision of public goods and services (Brandsen et al., 2018). Scholars have studied the participation process in citizen action in the global south in development studies, such as Brazilian participation in budgeting (Abers, 1998) and the informality concept in decision making (Roys, 2009, Yiftachel, 2009), suggesting a broader definition of collaborative planning. Inspired by this notion, this thesis aim to looks at how the established collaborative

planning theory in the global north adjust to the planning context in the global south by using the latest slum upgrading program in Indonesia –a developing country with long experience in poverty alleviation efforts through slum upgrading– as a case study.

Slum upgrading is a complex and persistent problem; as explained by Rotmans and Loorbach (2009), persistent problems are related to a system failure that has locked-in flaws in social structures such as path dependency. To achieve the main objective of the slum upgrading program, namely improving the quality of life of millions of slum dwellers, is not a convenient matter. The character of slums varies in each country and require a different approach. The different capacity of public organizations and divergent local cultures requires a tailor-made approach to improve slum areas to optimal results. Therefore, consensual decision-making theory in the form of collaborative planning cannot be used as the only universal method in planning for the improvement of slum areas. In practice, the collaborative approach then adapts to the local context. For example, in the case of slum settlements in India, the slum dweller provides its own public service, namely self-enumeration, to increase their “visibility” to the state, and they use the result to engage with the government (Watson, 2014). This phenomenon shows that the slum dwellers exercised technology to articulate power and knowledge in engaging with the government (Chatterji and Mehta, 2007). This co-production process in India can be an adjustment form of collaborative planning, and such adjustments are also evident in the slum upgrading program in Indonesia.

1.1 Research Background

Urbanization is one of the main challenges in urban areas today. According to the UN-Habitat report (2020), nearly 54% world’s population lived in cities and projected to increase by two-thirds by the end of 2030. The increase in urban population is not followed by the cities ability to provide affordable housing, land and basic services. These conditions are untoward to low-income people, mainly those who has-no-choice to labour in the urban centre to live in the informal settlements. These settlements gradually became congested, and because of their nature outside the formal rules, in the end, it became a slum area. According to UN-Habitat (2020), the slum is a forsaken space in the city which impoverished living conditions which currently inhabitant by 1 billion people globally. Slum must be understood as two related dimensions: first, an understanding of the occupants and their activities, and second, an understanding of the various spaces and statuses such as land values and environmental characteristics (Milbert, 2006). Policymaking related to slums must target these two dimensions. Poverty alleviation policies alone without being combined with handling spatial aspects will cause ineffectiveness. According to Milbert (2006), this usually occurs due to interference from outside parties such as donor agencies.

Slum upgrading is a holistic approach to change descending trends in an area that aims to increase its habitant’s living quality (Citiesalliance.org, 2021) and proven as the best option in dealing with slums (Fuentes, 2019). To upgrade a slum cannot only focus on improving housing conditions, but the activity is

closely related to the provision of basic services like clean water, sanitation, waste collection, and drainage. Thus, a specific participation approach is needed where the population is supported to have basic services and livable housing (Archer and Dodman, 2017). Furthermore, to eradicate slums, several aspects like legal, social, and economic aspects must be enhanced with physical aspect development (Werlin, 1999). The legal aspect can be done by legalizing or regulating properties and bringing secure land tenure to its resident. Securing tenure impacts improving community living conditions and economic capability (Sheng, 2010; Bhatkal, 2015). The slum upgrading became increasingly salient after UN-Habitat poured the “*cities without slum*” target into the millennium development goals (MDGs). Indonesian government ratify this goal and produce an integrated slum area improvement and prevention policy, especially goal number 11, which seeks to make cities and human settlements inclusive, safe, resilient and sustainable by ensuring access to adequate housing for all and increasing slum settlements, prompted the government to produce an integrated slum area improvement and prevention policy (UN-Habitat 2020),

The comprehensive idea of slum upgrading initiated by international organizations has proven challenging to implement because there is a wide gap between global knowledge and local needs (UN Habitat, 2020), making MDGs targets hard to achieve in addition to urban growth rapidly. To fill this gap requires building an integrated coalition among stakeholders to form strong governance. Furthermore, to make a slum upgrading program successful requires strong political will from the government and a strong sense of partnership from the community. The essence of slum upgrading should ensure that development follows the community’s needs and be part of them to create a great sense of belonging so that they are motivated to preserve the results of the improvements. Balance of power is the key to success in efforts to improve slum settlements. Both government and society must have the same level of engagement in public services provision (Loeffler and Bovaird, 2021).

Several efforts have been made to redevelop the slum area in Indonesia. Started from the first generation of slum upgrading, *Kampung Improvement Program (KIP)* began in 1968 focused on poverty alleviation by improving the slum’s physical condition and tenure security through a technical approach and yet proven unable to wipe out poverty completely (Werlin, 1999). The second generation tries to include social aspects in addition to physical aspects through a collaborative approach (Winarso, 2021). However, poverty alleviation has not yet been achieved due to low community motivation to maintain the infrastructure that has been developed and exacerbated by a severe economic crisis. The third generation emerged as an answer to the increase in poverty after the 1998 monetary crisis. These programs foresaw the *Tribuana* (three-fold improvement) concept consisting of improvements on the social, physical, and economic aspects of the slum area (National Medium Term Development Plan 2004-2009). The approach consists of physical improvement and utilizes social knowledge and capacity. However, little concern has been directed to the program’s economic aspect and continuity, and seen as a top-down policy with the slum dwellers was treated as a subject (Winarso, 2021).

The collaborative approach in slum upgrading results still unsatisfactory. The causes are the limitation of community participation and the unbalance of power between state and community. Limited community participation in Indonesian slum upgrading has proven to make the program unsustainable in the long term (Winarso, 2021). The limitation of community participation resulted in replacing the slum area with a new apartment for a new class of society, a follow-on in the emergence of a new problem- gentrification. Furthermore, this forced the poor people living in the area to move to new places or even to existing slum areas (ibid). Meanwhile, the power imbalance causes the community's low motivation to sustain the slum upgrading project (Werlin, 1999; Winarso, 2021). Learning from previous experiences, the current slum upgrading program, KOTAKU (*Kota Tanpa Kumuh*), emphasizes community involvement in the planning, implementation and sustainability stages.

KOTAKU is a national slum upgrading program initiated in 2016 as a continuation of the community-based development program in 1999. The KOTAKU is one of the Directorate General of Housing and Human Settlement strategic efforts supporting the "President's 100-0-100 Movement", which is 100 per cent decent, 0 per cent slum settlements, and 100 per cent access to proper sanitation. The program is a collaboration platform between the central government, provincial government, city/district, citizens and other stakeholders by putting the citizen and district/city as the prime actors (Directorate General of Human Settlement and Public Housing, 2020). The nuances of co-production can be seen in this program, where the community is fully involved in providing services activities and treated as an equal partner. Community involvement starts from data collection, planning, implementation, monitoring and evaluation, and the sustainability stage. From this, the question arises, is community involvement here a manifestation of the western collaborative theory, which is currently being criticized because it is considered incompatible with the global southern context, or is it an adaptation of a collaborative model that is suitable for Indonesia?

1.2 Research Objective

This thesis aims to see how the nuances of co-production emerge in the slum upgrade program in Indonesia. This thesis discusses what factors influence community participation in a new form of collaborative public involvement in the slum upgrading in Indonesia through the concept of co-production.

The following questions will be answered to accomplish the research objective

1. How is the current situation of slum upgrading in Indonesia?
2. How can the slum upgrading project be widely accepted?
3. What factors influence co-production from the government side?
4. What factors influence co-production from the community side?

A set of data is required In order to answer these questions. The description of the available data and how this data will be operationalized and analyzed will be described in Chapter 3.

Through understanding how co-production emerges in Indonesian slum upgrading programs will open an opportunity to scale up the co-production approach and apply it in other development programs and public service delivery policies outside slum upgrading. Furthermore, the results of this thesis can enrich the literature on planning in the global south and contribute to the current debates of collaborative and co-production planning.

1.3 Chapter Outline

The thesis consists of six chapters. Chapter one introduces the research background, objectives, and research questions related to these objectives. Chapter two provides an elaboration of the theoretical foundation for this thesis. Starting with collaborative planning theory and co-production theory, describe their origins, similarities and differences. Continue with a description of the factors that influence co-production, such as the suitability of public organizations, a culture of risk avoidance, attitudes towards participation, characteristics of citizens, social capital and a sense of belonging. Chapter three explains the methodology and conceptual model while in chapter four give exploration of finding that relates to the research question. In chapter five, a discussion on what factors are seen in co-production in KOTAKU. And ended with a conclusion in chapter six

Chapter 2. Theoretical Frameworks

2.1 Communicative and Collaborative Planning

In the 80s, the world of planning experienced a paradigm shift from technical to communicative. The shifting to communicative from rational planning was laden with technical nuances rooted in a positivist epistemology that holds fast to the truths of scientific knowledge to build the world into a better place (Healy, 1992). At that time, planners acted as scientists who had a “*formula*” to face challenges and leave no room for stakeholder involvement in the decision-making process. Allmendinger (2002, p.87) defines the shift towards post-positivism as follows: “*a rejection of positivist understandings and methodologies (including naturalism) in favour of embracing approaches that contextualize theories and disciplines within a larger social and historical context.*” Recognition of the importance of a broader understanding in social and historical context became a starting point for the emergence of communicative rationality.

The shift from technocratic to communicative in planning theory allows room for the engagement of new professions with new skills to take part. The planners and architects who previously dominated the planning world are now filled with sociologists, environmentalists, economists, humanists, and even communities. “*Traditional*” instrumental rationality combined with regional economic interests in pursuing public interest goals is deemed incapable of meeting these days challenges (Allmendinger, 2017; Healey, 1996; Innes, 1995). Therefore, the role of planning transforms from simply formulating spatial planning to facilitating stakeholder collaboration (Healey, 1996) in strategic discourse construction or what is called strategic consensus-building (Innes et al., 2005; Innes, 1995). This approach embraces stakeholders participation in the decision-making process regarding their position, and through consensus-building, stakeholders input can be managed beyond the traditional decision-making process (Healey, 1998, 1996; Innes, 1995).

Since the world turns into more diverse and fragmented with different languages, cultures and history, the planners must renounce views of a single truth and embrace uncertainty (Allmendinger, 2017). Effective planning needs an interpersonal relations approach and focuses on action and research rather than on abstract theory in planning processes (Hoch, 1994). The idea of multi interpretation reality and the understanding of our consciousness is dialogically constructed, makes the most logical way to find a relation among people is through communicative acts (Healey, 1998, 1996; Innes, 1995). Unlike the modernist view, which insists on keep on to some form of ‘objective’ knowledge based on scientific or instrumental reality (Allmendinger, 2017), this divergence root from notions of intersubjective reality where the perception that interests, preferences, and knowledge result from the social construct (Healey, 1996). Therefore, Healey suggests a way to ‘make sense together’ by utilizing our communication skills in the public realm discussion about issues that collectively concern us (Healey, 1996). She encourages the

idea of strengthening public argumentation and communicative policies in strategic spatial policy assignments. She used '*collaborative planning*' terminology to underline the institutional context on these affairs occurred by explaining how planners and institutions shape the planning process based on Giddens' structuration ideas and the European vies of the individual embedded in limiting institutional and social interactions (Healy, 1997).

In the communicative planning process, planners, as a part of policy actors, begin to act as mediators who have a role in facilitating the reformulation of a spatial problem to find optimal possible solutions (Healey, 1998). in the practice of communication, Information affects stakeholders by embedded in understandings, practices, and institutions rather than evidence (Innes, 1998). Therefore, it is essential to pay attention to how information is produced and can be accepted. All stakeholders affected by the policy outcome are involved collectively to negotiate the definition of the problem and possible solutions (Healey, 1998; Innes, 1998). The goal is to discuss and validate the information within interest groups to provide acceptable shared meaning to all stakeholders through the consensus-building process. In building consensus, technical information cannot be considered the only source of decision making but serves as an outline for reaching an agreement (Innes, 1998). In other words, the decision-making process is still be conducted in the top-down style but with significant input from stakeholders.

The communicative planning theory is influenced by: first, Jürgen Habermas's theory of communicative action, where he questioned the effectiveness of instrumental rationality in everyday life. Second is Michael Foucault thinking, who sees power relation and its domination nature. The third is Anthony Giddens and the institutionalist school's work, examining how we can coexist in society. Understanding how power mechanisms work in the planning process structure to encourage public participation through communicative action is essential to improve the quality of planning analysis (Forester, 1982). The communicative theory put forward discourse as statements that provide language for representing a particular kind of knowledge and topic (Allmendinger, 2017), and language is related to 'power struggle' as it can decide the collective acceptance of reality. Foucault (1980) explains that power is based on utilising knowledge, while power can shape knowledge according to its anonymous intention. Therefore, discourse is an application of power, and language is a tool for preserving or expanding it (Allmendinger, 2017). Daily social interaction ('lifeworld') is shaped by a system ('the system') that operates through the power, and interest interaction result in constraints for the scope of communicative action (Habermas, 1991). Thus communicative rationality has the prospect to achieve a mutual agreement that involves power. Communicative rationality is to what extent the reflective understanding of actors characterized the intersubjective reality-oriented action. Formal institutions and processes play a significant role in the interaction between the lifeworld and the system, where public opinion is acknowledged bringing a slight impact (Allmendinger, 2017). This condition force public to enter the system to question the instrumental based decision by policymakers. Nevertheless, the formal institution with power treat often defines reality

(Flyvbjerg, 1998). The imbalance of power tends to result in communicative actions such as 'public participation' is dichotomized only to legitimize the system by the power holders (ibid).

Paul Davidoff introduced the earliest bridge to the communicative side by encourages planners to be more than just an "engineer" in the planning field but an advocate for society. The advocacy planning come from the notion that "*appropriate planning action can not be prescribed from a position of value-neutrality, for prescriptions are based on desire function*" (Davidoff, in Allmendinger, 2017 p.161). Davidoff emphasizes that values and facts cannot be separated in determining the planning position. Therefore, planners must be open to values and work closely with organizations whose values coincide, which means that planners should play an active role in the political process as advocates of the interest of both state and civil society for the community future development (Allmendinger, 2017). Under the advocacy approach, local values are combined with expert knowledge to create competition of ideas between technocratic plans and community plans. The advocacy approach serves three main advantages that it would (1) inform the public that they have alternative options, (2) forcing competition between councils and community for political support, and (3) provide a channel for criticize council plans with their own. The problem with planning advocacy is a potential bias by the elected official when the time comes to decide which of the competing plans to use. The drawback of the advocacy approach is the limited method that can accommodate and choose the winner between competing local planners (Allmendinger, 2017).

The southern Turn of Collaborative

In recent years, a series of new planning ideas have found a place in scholarly debate rooms that depart from the multidisciplinary social sciences narrowed down to the planning discipline. The debate about the shift in collaborative planning has long been a topic of debate among scholars, especially when the concepts of social innovation, community-led development, and co-production began to be widely discussed (Czischke, 2018). In the public services delivery, the collaborative model underwent a broader paradigm shift in public participation (ibid). Concepts such as social innovation, community-led development and co-production have been widely discussed and implemented. The shift is closely related to the changing role and relationship between the government as public services providers and the community as the recipient. The term "Global South" used in this thesis borrows the term used by Dados and Connell (2012) not only to refer to geographic terms but is broader than that. "*It references an entire history of colonialism, neo-imperialism, and differential economic and social change through which large inequalities in living standards, life expectancy and access to resources are maintained; and opens new possibilities in politics and social science*" (Dados & Connell, 2012, p. 13).

Differences in socio-cultural and economic conditions are essential factors that must be considered in applying planning theory. Allmendinger (2002) notes that theories originating in the US thought are more "*varied and fluid both institutionally and in terms of processes and ends*", while European thinkers were a response to a context where "*more uniform and concrete processes and institutions help structure outcome*

and ends” (Allmendinger’s 2002, p.93 quoted from Watson, 2016 p.34). Although geographically different, the planning worlds in the US and Europe have similarities, that their planning activities are in the same state of an advance capitalist economy and healthy democracy where institutional capacity, the nature of cities and regions and the social conditions of the people are dissimilar from other parts of the world (Watson, 2016). Planning theories are commonly created by scholars in the global. According to Watson (2016), these planning theories have a relatively essential methodological deficiency, namely that they do not provide specific information about the contextual locus, such as the nature of the city, planning system, institutional culture, and local socio-economic conditions. Unlike Healy (1997, 2003, p.117), which clearly states the context of “North-West European experience”, many theorists do not write the context in which their theory can be applied (Watson 2016). Information about the city becomes vital because its government’s institutional setting and culture are more or less affected by its history; as explained by Watson (2016 p.36), *“planning cannot be understood outside of the reality of postcolonialism or coloniality, wherever it is studied.”*

The following criticism is about the generalization of the research’s result conducted in the planning field (Watson, 2016). Almost similar to the first criticism above, but the generalization has more impact on practice in the Global South. The universalization of theories based on research in certain parts of the world does not only occur in the field of planning science alone. Since planning science is very context-dependent related to social interaction, economic culture in spatial planning, the universalization of theory will have less impact on spatial policies taken from other parts of the world. For example, Scott and Storper (2014) argue that understanding a city wherever it is can be done by understanding the dynamics of agglomeration and the relationship between space, land use and human interactions. While what makes cities different is merely empirical variation. This single conceptual argument is refuted by experts such as Robinson and Roy (2015), who argue that imprecision in understanding context is an empirical difference. The use of the single case method is common in the planning world if it is intended to record and examine actual planning events to construct and examine theories or record methodological rules, making it most unlikely to generalize from one case to another (Flyvbjerg, 2004). Take Yiftachel (2016) research in Jerusalem as an example. Based on an in-depth study of one city (Jerusalem), he explained that through cities like this, one could learn how urban forces are related to each other, the emerging of new categories and concepts, and transformation but cannot be used as a universal model. Furthermore, He emphasized understanding the logic of how structures and actors shape the city through interaction in a specific place (contextual). For it is impossible to understand this city through single theoretical standing alone. Yiftachel’s study cannot be used as a universal model that can be used to analyze other cities, but through this study, He suggests that understanding logic and power relations can be done through planning and city development.

2.2 Co-Production

Numerous wicked urban issues such as gentrification, budget constraints, urbanization, socio-culture, and land scarcity require policymakers to explore an innovative and adaptive approach for filling the demand of modern society. The absence of government in providing society demand has triggered a societal movement that yearns for a broader space for civic engagement and independent organizations so that public services are more present, especially in the global south (McFarlane, 2012a; Watson, 2014) (McFarlane, 2012b; Watson, 2014). Consequently, the renewal of the public provision governance where the need for extra resources, ancillary operational capacity, and even additional legitimacy are inevitable (Moore and Hartley, 2008). Current challenges demand public officials to act as facilitators and explorers who co-produce services and innovation with society (Hartkey, 2005), while organizational structures and procedures were traditionally guided by principles like stability, predictability, regulation, and hierarchy decision-making (Crosby et al., 2017). In connection with this condition, the production and public services delivery exceeds organizational border, resulting in the diffusion of a public and civic asset (Crosby et al. 2017, Moore and Hartley, 2008), known as co-production.

Co-production literature has broadly discussed the form of collaborative compromises within state and civic actors in service provision (Alford and Yates, 2015; Brandsen et al., 2018; Pestoff, 2006; Voorberg et al., 2014; Watson, 2014). In the earlier discussion regarding co-production put the role of the state as an initiator. Co-production is a synergic asset-based process among state and community in providing public goods (Ostrom, 1996) in the context of weak states, where the government unable to provide services (Joshi and Moore, 2004) and limited by the power balance still held by state where the outcome can be socially undesirable (Bovaird, 2007). The basic notion is that the expertise and understanding between the state and community are dissimilar yet complementary, thus delivering a better outcome to emphasis lies in the power distribution in the condition of the state is considered “weak”, meaning the state is unable to provide services, inadequate knowledge about the people needs, or in the budget constraint (Joshi and Moore, 2004).

Later on, co-production developed to become the social movement initiated to address power imbalance due to social pressure to involving the public (Pestoff, 2009). Moreover, the popularity of co-production in the public policy realm is driven by strong managerial rationale, mainly when the prior model of public service provision is judged ineffective to reach the political objective (Ryan, 2012), meet the need of civil society, and confront complex societal challenge (Joshi and Moore, 2004; Voorberg et al. 2015). The term co-production is identical to state-society collaboration during the stages of design, production or delivery of public services (Verschuere et al. 2012; Alford and Yates, 2015; Pestoff, 2006). Focus on co-production does not mean taking attention away from policymakers but giving more comprehensive attention to ordinary elements and groups within the urban (McFarlane, 2012b). This trend can be interpreted as an

adaptation effort to political and managerial demands to provide innovative answers at the practical level (Bovaird, 2007).

Cepiku et al. (2020) explain the definition of co-production based on the 'co-' side (meaning the actors) and the 'production' side (services) of the co-production term. Nabatchi et al. (2017) distinguish the actors involved in co-production consisting of state actors and lay actors that together in every phase of the public service cycle (i.e., planning, design, operational and evaluation). The state actors are government agents serving in their professional capacity, while lay actors are citizens or users. Furthermore, co-production consists of three-level which each of these levels is differentiated by the lay actors role and the type of advantages they make through co-production. According to Cepiku et al. (2020), the first level is individual co-production, meaning that single state actors collaborate directly with a single lay actor, and the benefit tends to be personal for the lay actor despite there is also a social benefit for the wider community. The second co-production level is group co-production, where one or more state actors operate directly and concurrently with a particular group of lay actors that share a common interest and the benefit laid beneath the specific segment of the population (ibid). The third level is collective co-production characterized by a joint operation between multiple state actor and several groups of the lay actor (diverse member of the community) in one or many related issues where the profit are felt by the entire community (ibid).

Regarding the 'production' side of co-production, the type of co-production can unfold according to the particular phase of the public service cycle in which cooperation between state and lay actors occurs (Cepiku et al., 2020). (1) Co-commissioning is related to joint identification and prioritization (Cepiku et al., 2020) in budget priority allocation in participatory budgeting experience (Bovaird 2007). (2) Co-design is related to the creation-participation of public services (Bovaird and Loeffler, 2012), comparable with the direct citizen participation approach (Nabatchi et al., 2017). (3) Co-delivery is consisting of joint activities between government and community or also well known as co-production (Cepiku et al., 2020). Lastly, (4) co-assessment is about the collective evaluation of public services, assessing service quality, problem finding, and improvement (Bovaird and Loeffler, 2012).

Other definitions can be defined from the interaction type between the actors and what kind of joined resources (Cepiku et al., 2020). Co-production aim to improve effectiveness, efficiency, citizen satisfaction and involvement in providing public service (Voorberg et al., 2014). Brandsen and Honingh (2018) identified three common features of co-production, that (1) they constitute a part of the process of producing services, (2) refer to collaboration between professional services provider and citizen, and (3) active input by the citizen to shape the services (Brandsen et al., 2018). In order to gain a good understanding of how to organize co-production, it is essential to know that the emphasis of co-production lies in community involvement where they are not only service recipients but are part of the planner, implementer, manager and evaluator (Cepiku et al., 2020).

The difference between co-production and collaborative planning lies in the system, roles, and power-sharing. Watson (2014) writes the difference as follows:

1. Co-production run outside formal governance rule and procedures due to ineffectiveness of the formal channel of engagement. This happens because the government is unable, or even if there is, the forum for engagement is not satisfactory. In some places in the global south, the channel for participation is generally limited to the formal presentation of state plans to the public, where this kind of situation is hardly found in the global north. According to Watson (2014), the reason is that the legal and planning system in the Global South is a legacy of the colonial era
2. The community not only play a role in the planning stage, but deep involvement also occurred during the delivery process. (Bovaird and Loeffler, 2012) explained that community involvement in the co-production process is not only at the planning stage but also at the implementation and evaluation stages. The collaborative and communicative planning processes are generally concentrated at the planning formation stage, McGuirk (2001) said planners focus more on communicative rationality, and less attention is given to concretizing agreed ideas with plans and regulations
3. while in the type of co-production which is a social movement, community involvement is much broader, starting from the initiation of planning interventions, data collection, plan formation, implementation processes, to managerial activities. While the state's role is more on the side that the community cannot handle, for example, land acquisition and ownership, massive scale infrastructure and co-financing.
4. The power distributed more evenly between state and civic actors due to each actor contributed resources in the collaboration process. This has long been criticized (Huxley, 2000) regarding the understanding of power in the deliberative planning process and the assumptions that discussion can nullify its destructive effects.
5. The learning process is deeply embedded in the community, related to a stronger sense of belonging. Unlikely with collaborative planning, where the government hires consultants to assist the community.
6. Co-production work can be upscale from local practice to the global network (Appadurai, 2001).

The advantage of co-production is its ability to increase public value democratically and cost-effectively (Loeffler and Bovaird, 2021). People's motivation to participate in the co-production process stems from their role as partners in providing public services. The community will be motivated to participate and act in the co-production process if they feel an added value in the whole process (Bovaird and Loeffler, 2012). This motivation generated from communal interest and individual motivation cannot explain thoroughly the people willingness to co-produce (Alford, 2009). The value received back by a citizen as compensation for efforts to produce together is a communal value for the community and future generations, i.e. public

value (Hartley, 2011). Public value comes from citizen involvement as active actors in the value process making (Bracci et al., 2016). Therefore, the plan for slum upgrading must calculate the public value as a vital element in addition to the value expected from services delivered.

The Co-production approach has been widely used in various fields in formulating public policy strategy due to the government's complex social challenges and budget constraints. The concept of co-production is also used in the private sector to achieve efficiency in production, where end-users are considered potential co-producers who carry out certain activities in the entire production process (Voorberg et al., 2014). Private sectors collect and use consumers experiences as production inputs to increase added value. In other words, this approach can increase consumer loyalty while providing valuable input for companies to be more competitive in the market. In the public sector, the treatment of input from end-users is different, because in this case, the end-user is the community. Community participation cannot be considered as a tool to gain planning legitimacy but beyond that. Participation with an equal position, with the following characteristics: (1) in the process of providing services, there are at least one or more elements of production that are shared; (2) there is a balance of power between the state and society, and (3) there is a reciprocal relationship beyond the provider-client relationship.

2.3 What factors influence co-production?

The emergence of community participation in a co-production model is influenced by two sides (Voorberg, 2014). The factors that can affect the willingness of citizens to participate are as important as the factors that affect the government. This thesis adopts Voorberg et al. (2014) research in determining the factors that influence community participation in co-production.

2.3.1 Factors from the government side

Compatibility of public organization with citizen participation.

It refers to the availability of a forum, structure and procedure that facilitates the community to contribute to providing public services (Bovaird and Loeffler, 2012). Meijer (2012) exemplifies the provision of an exemplary communication network to encourage community participation in co-production in various issues such as security and financial issues. Furthermore, according to Bovaird (2012), instrument for capacity building for citizens and government staff are an essential factor affecting co-production. In several cases in the global south where the state is weak, NGOs step in and replace the government's role. Mitlin (2008) translates the role of a Global NGO known as SDI (Shack/Slum Dwellers International), which facilitates the community to have the medium to co-produce. She explains that in a social movement co-production, SDI Strategy "*enable individual members and their associations to secure effective relations with state institutions that address both immediate basic needs and enable them to negotiate for greater benefits*" (Mitlin, 2008, p. 339).

Open attitude towards citizen participation

The attitude of public officials and politicians towards the participatory process affects the extent to which co-production thrive (Davis and Ruddle 2012; Gebauer, Johnson, and Enquist 2010; Leone et al., 2012). Co-production encourages service recipients to be treated actively in producing output. As equal partners, the community bring resources, knowledge and capability into the production process together with the government. Thus it required power-sharing, negotiation and interaction from the government. For this reason, the attitude of the power holder significantly affects the existence of co-production (Ryan, 2012). Roberts et al. (2013) wrote that there is a tendency for politicians and professionals to be sceptical of co-production because they consider citizens' behaviour is unpredictable. Furthermore, the reluctance of politicians and professionals to lose control of a program is something that can hinder co-production (Bovaird and Loeffler, 2012).

Risk-averse administrative culture

The influence of a conservative administrative culture that tends to avoid risk explain why citizens are not perceived as reliable resource partners (Talsma and Molenbroek 2012). Bureaucracy traditional culture that considers citizens as objects rather than equal partners results in limited official space to invite citizens to join as equal partners (Maiello et al., 2013). Especially when it comes to programs or projects that need technical approaches, the government's reluctance to involve the community is getting higher.

Presence of clear incentives for co-production

The presence of clear incentives is the factor shaping co-production. From the government's point of view, the consideration of whether the provision of public services can be improved through community involvement (Evan, Hill and Orme, 2012) or how co-production can save the budget is a reason to encourage or even avoid co-production (Abers, 1998). In the slum upgrading context, the incentives that government seek from co-production is community motivation to keep contributing to maintaining infrastructure long after the project is completed.

2.3.2 Factors from the Citizen side

Citizen characteristic

The characteristics of society, in general, affect the willingness and motivation to collaborate. Intrinsic values adopted, such as loyalty, civic duty, and the spirit of playing a role in good governance, affecting the community's willingness to participate Wise et al., (2012). In addition, the cultural values of the communal kinship common in Southeast Asian countries also influence the co-production process. Citizens' willingness to participate is also influenced by education level, family structure, and personal characteristics in the socio-economic context (Eijk and Steen, 2016). People in uniform socio-economic conditions tend to be less active in participating than in diverse neighbourhoods (ibid), and People with higher levels of education will be more easily invited to collaborate (Sunden, 1988).

Awareness/feeling of ownership/being part of something

The goal of the public sector and society amalgamating assets in public services provision is to achieve efficiency or better outcome (Bovaird and Loeffler, 2012). The citizen is a critical factor in determining slum upgrading outcome they understand what they need better than professional judgment (ibid) and have more time and energy to carry on the development because they live there. They can promote the value of services they have received (Bovaird and Loeffler, 2012) by influencing other residents to follow their action, thus able to enhance legitimacy and acceptance of the slum upgrading project. Furthermore, In addition to the desire to participate, awareness of how and where the community can co-produce with the government will increase the community's sense of belonging so that the motivation to take responsibility for caring for co-production will emerge (Talsma and Molenbroek, 2012).

Presence of Social Capital

Social capital is also vital for building co-production. Ostrom (1996) argues that a persuasive attempt to engage citizens must be combined with building social capital so that people are interested in being involved sustainably in infrastructure projects in Brazil. In line with the findings from Scafft and Brown research (2000), which shows that social capital in the form of local organizations is helpful for Hungarian Roma to produce profitable projects. The importance of enforcing social capital to make community looks after each other and able to builds a firm commitment (Voorberg et al., 2014).

2.4 Co-production in Slum Upgrading

2.4.1 Slum and Slum Upgrading.

Slums are the most marginalized forms of informal settlement characterized by poverty and agglomeration of uninhabitable housing located on the most hazardous urban lands (UN Habitat, 2020). The slum is a forsaken space in the city that impoverished living conditions currently inhabited by 1 billion people (UN Habitat, 2020). Slum consist of a group or individual living under the same roof in an urban area who lack (1) durable housing that can protect against extreme climate condition, (2) sufficient living space that suitable with no more than three persons sharing one room; (3) easy access to clean water; (4) adequate access to sanitation and (5) security of tenure and that prevents forced evictions (UN-Habitat, 2020). In general, UN-Habitat (2020) summarizes the characteristics of the slum as follows:

“(1) slums are too complex to define according to single parameters; (2) slums are a relative concept and what is considered as a slum in one city will be regarded as adequate in another city even in the same country; (3) local variations among slums are too wide to define universally applicable criteria; (4) slums change too fast to render any criterion valid for a reasonably long period of time; (5) the spatial nature of slums means that the size of particular slum areas is vulnerable to change in jurisdiction or spatial aggregation” (UN Habitat, 2020).

Slums conditions and problems vary in each place, making the policy to deal with slum challenges is also different regarding its dynamic and multidimensional nature. Furthermore, the activities and interactions of slum dwellers also have their own uniqueness. Unlike the old-time slums where the inhabitants were homogeneous, slums today are inhabited by residents with various backgrounds such as job, culture and education, making various interests exist in the slum (Cities Alliance, 2021). This interest must not exclude in plan-making and the negotiation to reach consensus is the best way to upgrade the slum. Slum requires continuous and integrated treatment efforts given its complexity and dynamic nature (ibid).

The causes of an area turning into a slum are massive urbanization and high population growth rates and exacerbated by weaknesses in urban planning (Milbert, 2006). The movement of population from rural to urban areas is caused by cities which are a concentration of economic growth offering jobs, more complete health facilities, better access to education and the availability of modern recreational places that do not exist in villages. Once the city cannot accommodate the immigrant's explosion, it will transform a particular area into a slum. Furthermore, the cause of the emergence of the slum is the fiasco of planning policies, housing policies, legal and political systems, and weak governance. According to Douglass et al. (2007), the inability of the municipality to provide affordable housing for low-income contributes to the existence of squatters and slum settlements. Cities Alliance (2020) gives a broader reason that the failure of providing affordable housing is not the sole reason, but bad governance is triggered by the failure of governments to include informal communities in slum areas in making urban planning decisions.

For the past fifty years, slum areas were considered a 'disgrace', 'centre of crime', 'unhealthy', and something that interfere city landscape, so they had to be removed. Eviction and relocation approached were preferable. This activity was known as 'slum clearance', entirely neglect the value and potential of slum dwellers and failed to understand slum dwellers as a dynamic part of a complex urban network. Indonesia has experienced the approach using technical rationality in the first generation and the beginning of the second generation of the slum upgrading program (see chapter 4). The results were resemblant to India's experience where evicted-slum communities rebuilt slum areas in other places whose conditions were more deplorable than before (Milbert, 2006). Furthermore, relocating the slum dweller proved to be met with strong resistance from the people since it would keep them away from their source of income. Unfortunately, this aspiration had no room in the plan-making process.

Slum upgrading must be understood as two related dimensions: first, an understanding of the occupants and their activities, and second, an understanding of the various spaces and statuses such as land values and environmental characteristics (Milbert, 2006). Policymaking related to slums must target these two dimensions. Poverty alleviation policies alone without being combined with handling spatial aspects will cause ineffectiveness. According to Milbert (2006), the failure to addressing both of these dimensions usually occurs due to interference from outside parties. Therefore, slum upgrading programs must be able to touch the physical development and increase resident socio-economic capacity. Intervention in the form

of the physical development side has long been carried out by improving slum infrastructure quality areas that predicted creating a domino effect for the community's economy. The job opportunities available due to infrastructure development projects are expected to improve the community's economy (see John Turner, 1972). With the increase in the economy, slum dwellers can support themselves to improve housing. This approach marked the turn from technical planning to advocacy planning. Advocacy planning serves to support competing statements or thoughts in terms of how society should build and be built by emphasizing inclusion in the planning process where planners act as representatives of slum dweller interest (Davidoff, 1965).

In slum upgrading, providing access to basic service is as important as increasing economic capacity. The problem of urban poverty is multidimensional that includes many things such as low wages, uninhabitable housing conditions, and limited access to public services. For this reason, it is essential to build human capacity. The potential of the informal economy is quite significant; according to (UN Habitat 2020), informal sectors providing four out of five jobs in urban areas and even in some low-income countries, this sector contributes 30%-60% of gross domestic products. Furthermore, informal settlement is an abundant source of cheap labour. The participatory model of slum upgrading, which previously focused on improving infrastructure and housing, has now focused on increasing socio-economic capacity.

2.4.2 Slum as Urban Informality and the Need of Co-production in Slum Upgrading

The limited ability of cities to deal with population growth and urbanization within the framework of formal urban planning due to limited land, planning regulations, lack of appropriate housing financing has resulted in the emergence of slums. Limited urban land and the supply of adequate and affordable housing have widened the gap between high demand and supply of housing facilities for the urban poor so that urban informality emerges as a response to this gap. According to UN-Habitat (2014), urban informality is the result of urbanization outside the official system that is not in accordance with formal rules and regulations. Informality is a citizen act of self-organizing in responding to urban life challenges that include lifestyle and socio-economic interactions and own anticipation of urbanization which spread due to globalization market processes and neoliberal policies (Alsayyad, 2004; Simone, 2006).

Ananya Roy (2012) defines urban informality as unregulated activities that even tend to be illegal outside the realm of government where the poor and marginalized communities live. She uses informality to rationalize some limitations of conventional planning policies and practices to understand and intervene in urban space. According to Her, informality refers to phenomena outside of spatial planning and planning. A slum area is a picture of an unplanned city outside the scope of formal rules, norms and codes. This informal space represents acute poverty, an actual embodiment of economic marginality or even self-organised urban form run through improvisation and entrepreneurship of the urban poor. Furthermore,

Roy (2012) explained that informality is a condition of governance outside the formal rules with negotiable values as the foundation where the elite actors take advantage of legal loopholes to enable violation of, for instance, planning or building controls to allow new developments. The sequence of urban informality begins with the rural poor living in a developing community whose process occurs gradually, starting from informal land occupations to eventually develop into residential areas. Informality cannot be defined as illegal because informality may be the only way urbanizers can survive in cities where alternative options are unavailable.

McFarlane (2012b) states that informality is a direct product of urban modernity and economic liberalization, categorized into four types. First, from a spatial perspective where informalities are often associated with “slum” settlements marginalized legally, politically, economically, socially and in the city environment. Second, the formal-informal gap is often understood as an organization where informality represents an unorganized and irregular workforce. Although in practice, this workforce can be organized and disciplined. Third, it can be understood that the formal-informal distinction is manifested as a governmental tool in which the state categorizes the formal and informal as objects of policy intervention (for example, public service delivery, resource distribution, or statistical monitoring). Finally, informality is a value that can be negotiated; as Roy and AlSayyad (2004, p. 5) write, “..the distinction between formal and informal emerges in practice: If formality operates through value assignment, including spatial value mapping, informality operates through constant negotiation of values.”

The informal system has served slum dwellers who, without formal protection, to withstand harsh conditions. Through self-help construction mechanisms, infrastructure and land acquisition outside the market economy have helped the urban poor obtain their basic needs for goods and services (Herrle and Fokdal, 2011). Informality is the reason why cities still attract urbanization even in a weak government system with unimplemented plans in providing public services. Through formal-informal combination allows the city to withstand urbanization. The cities are collaborating between a wide range of actors from official to less unknown, equally playing significant roles (Scharpf, 1997). It means that the slum dweller has a certain degree of power that must be considered an equal stakeholder in urban planning development policy.

Through co-production encourages service recipients to be treated actively in producing output. As equal partners, the community bring resources, knowledge and capability into the production process together with the government. Thus it required power-sharing, negotiation and interaction from the provider. Herrle et al. (2006) stressed the importance of negation in reaching consensus involving the component of urban informality. Slum-dwellers must bring a form of ‘real power’ to the negotiating table to strengthen their position in the slum upgrading program to achieve optimal solutions. Herrle and Fokdal (2011) study in the Pearl River Delta (PRD) in China provides an example of urban villagers who have significant land resources as an economic asset and a source of power that allows formal government regulations to

tolerate informal interests. Therefore, local resources are paramount and can be used as a source of power to generate legitimacy in consensus building in slum upgrading.

Herrle and Fokdal (2011) describe actors' constellation in the negotiation process in urban informality as a tool to understand how actors interaction can be widely accepted as a way to organize resources, power, and legitimacy in an efficient manner. The actors consist of public, private, and the people are distinguished by the parameters of their power, legitimacy, and resources. Power parameters provide information about the distribution of power among stakeholders. Implementing a project will not be carried out without power, or on the contrary, an opposition can hinder a project. Public actors have significant power in a democratic, private state, and public actors are also given space to exercise power to promote their interests. Meanwhile, legitimacy is essential in the implementation stage to avoid conflict and increase project acceptance. Furthermore, the resource parameter indicates the availability of human, technical and financial resources to support the project.

Chapter 3. Methodology

This chapter contains an explanation of how this thesis was operationalized chronologically and shows the relationship between the research questions, the data required, and the methods used to process the data. There were two main activities: literature review and qualitative analysis. A literature review was carried out by reviewing the relevant scientific literature to obtain a theoretical basis regarding collaborative planning co-production and urban informality in the context of slum upgrading (Chapter 2). Data collection was carried out through two methods: secondary data collection and semi-structured interviews. Furthermore, the qualitative analysis was divided into two stages: narrative analysis and explanatory analysis. Narrative analyses were used to explain the history of developing the slum upgrading program in Indonesia and how it shape co-production for the latest slum upgrading program. Explanatory analyzes are used to identify the characteristics of successful co-production. The relationship between the research questions, the data required, and the methodology used can be seen in table 1 below

| Research question | Methodology | Operationalization |
|---|---|---|
| <p>1. How is the current situation of slum upgrading in Indonesia?</p> <p>A contextual about the Indonesian planning system, legal framework and socio-economic condition narrative was provided to understand the slum upgrading program in Indonesia. Then the history of the slum upgrading program will be narrated to explain how the collaborative approach adjusts with local needs and how the experience of slum upgrading shapes the co-production.</p> | Narrative analyses | <p>1. Secondary data collection from journal articles, internet sources, government reports and publications</p> <p>2. Literature review to show the development of a slum upgrading program in Indonesia</p> |
| <p>2. How can the slum upgrading project be widely accepted?</p> <p>To assess project implementation acceptance by the people in the KOTAKU program, one of the tools used is the degree of budget absorption in addition to other data. According to Mardiasmo (2009),</p> | Semi-Structured Interview; Explanatory analyses | <p>1. Official Financial KOTAKU document is used as primary source</p> <p>2. Semi-structured interview to the top echelon government official, NGO, expert and</p> |

| Research question | Methodology | Operationalization |
|---|--|--|
| budget absorption describes the government ability to execute and hold responsible for the activities that have been planned. The ability to realize the budget can be considered to meet the excellent qualifications if the budget realization is per the physical work completed. Low budget absorption indicates the government's inability indirectly to carry out activities resulting in idle money. | | community leader using <i>gatekeeper approach</i> 3. Interpreting the result |
| 3. What factors influence co-production from the government and community side? Based on the international experience of co-production. Seven factors affecting co-production were selected. A series of interview questions are prepared to see if this factor could be found in the case study and in what conditions. The results of the interview will be analyzed using the explanatory analysis method | Semi-Structured Interview; Explanatory analyses | 1. Secondary data collection from journal articles, internet sources, government reports and publications 2. Semi-structured interview to the top echelon government official, NGO, expert and community leader using <i>gatekeeper approach</i> 3. Construction a detailed list of critical questions, recording and transcribing the interview 4. Interpreting interview results using academic knowledge and literature review |

Table 1 Research Methodology

The following table 2 present factor that influences co-production in KOTAKU Programs with the references

| No | Factor | Questions | Analysis | Refernces |
|----|--|---|---|--|
| 1 | Compatibility of public organization with citizen participation. | 1. Are there forums, structures and procedures that facilitate the community to contribute to the KOTAKU program? 2. Does the government initiate these forums, structures and procedures? To what extent is the role of the | To find out if community channels are available to contribute and how independent community organizations are | (Bovaird and Loeffler, 2012); Meijer (2012); Mitlin (2008) |

| No | Factor | Questions | Analysis | Refernces |
|----|--|---|---|---|
| | | <p>government at the central and regional levels in its provision?</p> <p>3. Is there capacity building available for community and government actors regarding establishing, implementing, and evaluating forums, structures, or procedures of the public organization?</p> | | |
| 2 | Open attitude towards citizen participation | What are the extent of government control over the methods, objectives of participation, and management of community organizations? | To find out power-sharing, negotiation and interaction efforts towards citizen participation | Davis and Ruddle (2012); Gebauer et al. (2010); Leoneet et al. (2012); (Ryan, 2012); (2013); (Bovaird and Loeffler, 2012) |
| 3 | Risk-averse administrative culture | <p>1. Are there any activities or sub-activities that do not involve community participation?</p> <p>2. How far the community advisors involved in the process of planning, implementing, monitoring and reporting activities that involve community participation</p> <p>3. How far the government influenced community advisors and public organization decision making</p> | Government perceptions of the reliability of public participation and actions are taken to minimize scepticism about the reliability of co-production output | Baars (2011); Talsma and Molenbroek (2012); (Maiello et al., 2013) |
| 4 | Presence of clear incentives for co-production | <p>1. Can the provision of public services be increased through community participation?</p> <p>2. Will involving the community make costs more economical?</p> <p>3. Will the results of improving infrastructure be more sustainable with community involvement?</p> | To know the government motivation choosing co-production and to find out whether this motivation related to the unsatisfactory result from the previous program | Evan et al (2012); (Abers, 1998) |
| 5 | Citizen characteristic | How the character of the community functions as a driver or obstacle to the participation process? | How important is the community character in shaping co-production | Wise et al., (2012); Eijk and Steen (2016); Oliver (2001); Sunden (1988) |
| 6 | Awareness/feeling of ownership/being part of something | <p>1. Does the community have a strong motivation to participate?</p> <p>2. What is the community's view of the infrastructure that has been built?</p> <p>3. Is there strong resistance by the community in implementing the slum upgrading project?</p> <p>4. What resources does the community provide?</p> | how a sense of collective ownership emerges and influences the co-production approach | Bovaird and Loeffler (2012); Talsma and Molenbroek, (2012). |

| No | Factor | Questions | Analysis | Refernces |
|----|----------------------------|---|--|---|
| 7 | Presence of Social Capital | Is there any social capital that the community can capitalize on? | does social capital affects people desire to participate | Ostrom (1996); Scafft and Brown (2000); Voorberg et al (2014) |

Table 2 Analysis of Influences Factors

The discussion to answer research questions will be written in chapters 4 and 5, and the conclusion and reflection will be drawn in the final chapter (chapter 6). For concluding remark, the conceptual model is drawn by scheme bellow

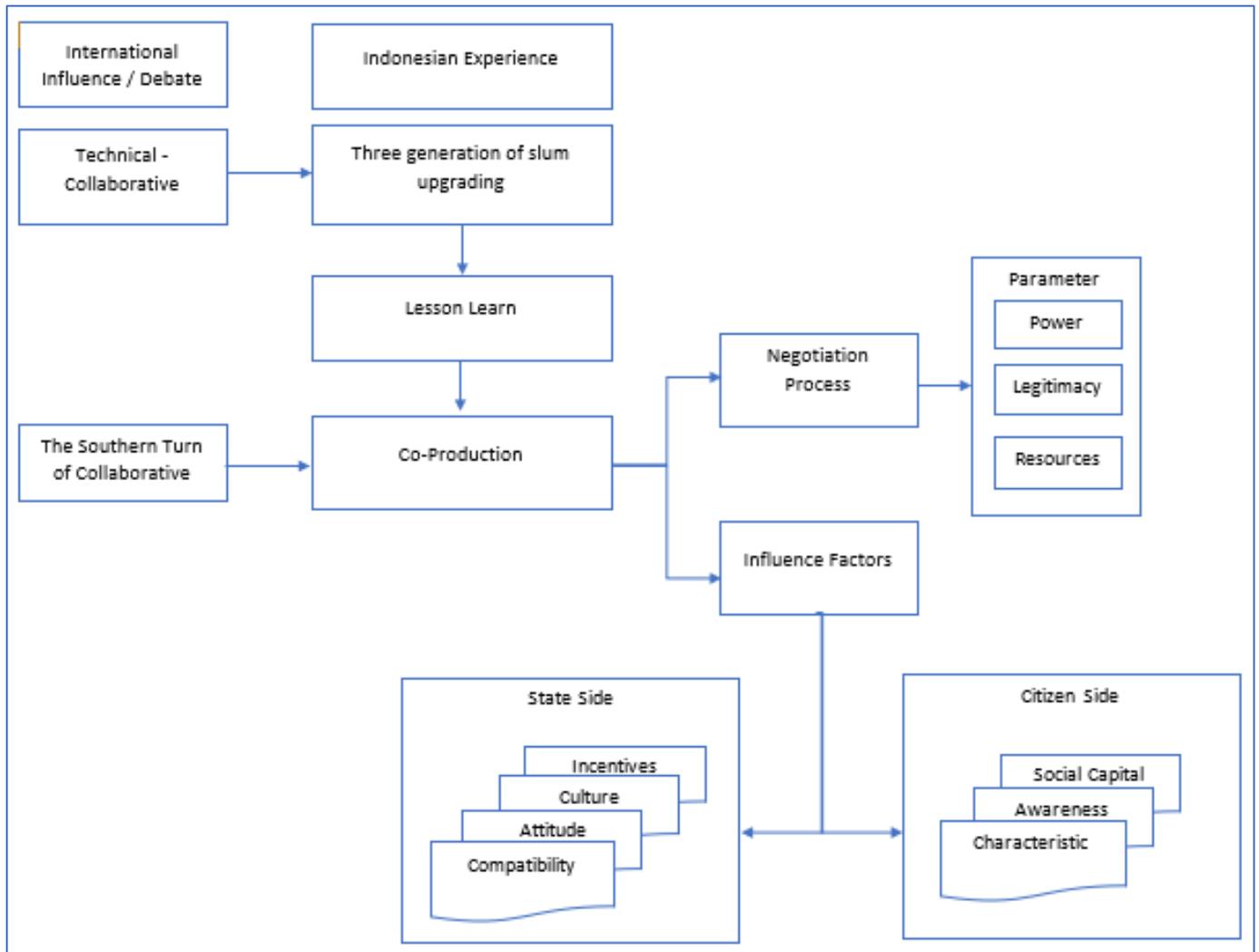


Figure 1 Conceptual Model

Chapter 4. Current Situation of Slum Upgrading in Indonesian

4.1 General Context

Indonesia's planning system adhere to comprehensive, integrated and binding in nature principle (Hudalah, 2006). Spatial planning targets are comprehensive, including (1) quality of spatial planning in space utilization; (2) sustainable development by integrating natural, artificial and human aspects; (3) efficiency and effectiveness of resource utilization; (4) the protection of the function of space against the negative impacts of development and (5) the balance between welfare and the interests of state security. The planning process integrates three related activities: spatial planning process, spatial development promotion, and spatial development control. Planning documents are binding in the sense that the approved planning documents are used as general development guidelines and directions for determining the location of programmed development activities where all stakeholders are subject to this plan (ibid). Therefore, the national spatial plan that serves as guidance to the local spatial plan must include the existence of slum area in order for the slum upgrading activities to be integrated with other spatial needs.

The legal basis for the slum problem and efforts to slum upgrading has been stated in the constitution of the Republic of Indonesia and the ideology of the Indonesian state, which emphasizes the principles of humanity, people's welfare and social justice. These principles then become the basis of the law governing slum upgrading efforts that include elements of human rights, housing and human settlement, basic agrarian, decentralization and spatial planning (see table 3).

| Aspect | Legal | Content |
|---|--|---|
| Human Right | Law number 39/1999 on Human Right Article 40 The right of every people to reside and to live in decent condition | The state is obliged to respect and fulfil the needs of citizens for shelter and a decent life |
| Housing and Settlement and decentralization | Law number 4/1992 emphasize: 1. equality in the right to occupy, enjoy and have adequate housing. 2. citizen responsibility participation in the development of housing and settlement | The state, both central and local, is obliged to manage housing and settlements for all citizens. Furthermore, local governments are given the freedom to designate a settlement as a "slum" settlement and carry out a slum upgrading program in collaboration with the community. |

| Aspect | Legal | Content |
|------------------|---|---|
| Agraria | Law number 5/1960 provides protection and maintenance of resources and spatial attention to the poor as part of sustainability principles | The limitedness of urban land makes it a valuable commodity and puts pressure on the urban poor, where inequality in land allocation parallels inequities in allocating resources such as clean water, public facilities, sanitation and energy. |
| Spatial Planning | Law number 26/2007 assure the purpose of the state to carry out spatial planning activities is for the general welfare | Priority for the allocation of space must be given to the interests of the wider community. Thus, the allocation of space for slum dwellers must be included in spatial planning and land use to legally allow efforts to provide or assist in obtaining secure tenure. |

Table 3 Legal Framework of Indonesian Slum Upgrading Program

According to the Indonesian government Law number 1/2011, the definition of slum settlements is *"settlement that is unfit for habitation due to irregularity of buildings, a high level of building density, and the quality of buildings and facilities and infrastructure that do not meet the requirements, while slum housing is housing that has decreased the quality of its function as a place of residence."* Based on This character is the basis for formulating criteria and indicators of slum symptoms in the process of identifying housing and slum areas, the area of which in 2016 was 35,291 ha (Directorate General Human Settlement, 2016). In addition to physical characteristics, non-physical characteristics are also identified to complement the causes of slums such as community behavior, certainty of living, and certainty of doing business.

4.2 Indonesian Slum Upgrading Experience

Efforts to decrease slum areas in Indonesia were carried out since the Dutch colonial era marked with the name *Kampoeng Verbeteering* as an implementation of the *Ethische Politiek* established by the Dutch royal parliament. In the post-colonial era, the slum upgrading approach was influenced by John Turner's works 1976 on self-help housing and Otto Koenigsberger's works 1964 in urban development planning work (Werlin, 1999; Winarso, 2021). Since 1974, the Indonesian government used two policy tools to address housing shortages. First, direct intervention by providing low-cost terraced houses for low-income people (Winarso, 2021). The task of providing subsidized housing was given to the Ministry of Public Works and PERUMNAS (Housing Development Corporation). The second policy was a community self-help approach to encourage the community to construct or repair their house through slum upgrading programs and state-provided mortgages through several financial institutions (ibid).

The Indonesian first-generation slum upgrading policy was heavily influenced by western thinking on slum eradication brought by donor agencies such as the World Bank and Asian Development Bank, who were giving financial assistance and expert advice (see table 2). The Indonesian government adopted a US-style approach in its initial efforts to slum eradication in the 1970s (Werlin, 1999), and its subsequent program strategy was based on a gradual evaluation of its predecessor programs. The characteristic was that governments play a central role in neighbourhood development where the state held the most significant power and dictated the entire collaborative process. The state fully controlled resources allocation while the community's involvement was limited. Indonesian first-generation slum upgrading (1960 to 1980s) focused on improving physical condition, influenced by John Turner's works 1976 on self-help housing and Otto Koenigsberger's works 1964 in urban development planning work (Winarso, 2021). Turner limited the government action to merely physical provision intending to stimulate the slum dwellers to improve their living conditions progressively (Werlin, 1999). He believed that slum dwellers could manage and maintain infrastructure through their exceptional organizational skills. Therefore, government intervention in increasing their economic capacity was deemed unnecessary. This theory assumes that after their environmental conditions improved (i., e., sanitation, sewage treatment facilities), residents living conditions would also gradually improved.

The first program of slum upgrading was called *Kampung Improvement Program (KIP): Muhammad Husni Thamrin Project (MHT)* implemented in Jakarta in 1968 soon became a national scale role model (Figure 2). The KIP program was designed to shift the focus of public policy from providing housing directly by the state to focusing on environmental development (Winarso, 2021). The project was focus on improving the slum physical condition in *Kampung (a congested, lacking basic services, slums and inhabited by low-income people scattered throughout the city)*. This program aimed to improve the slum housing environment that focuses on infrastructure, especially the sanitation aspect. The targets were repairing the drainage system, installing clean water taps in public places, improving solid waste systems and providing public sanitation facilities. It was hoped that after the physical improvement of the environment is carried out, the local community will be encouraged to make improvements to their own housing.

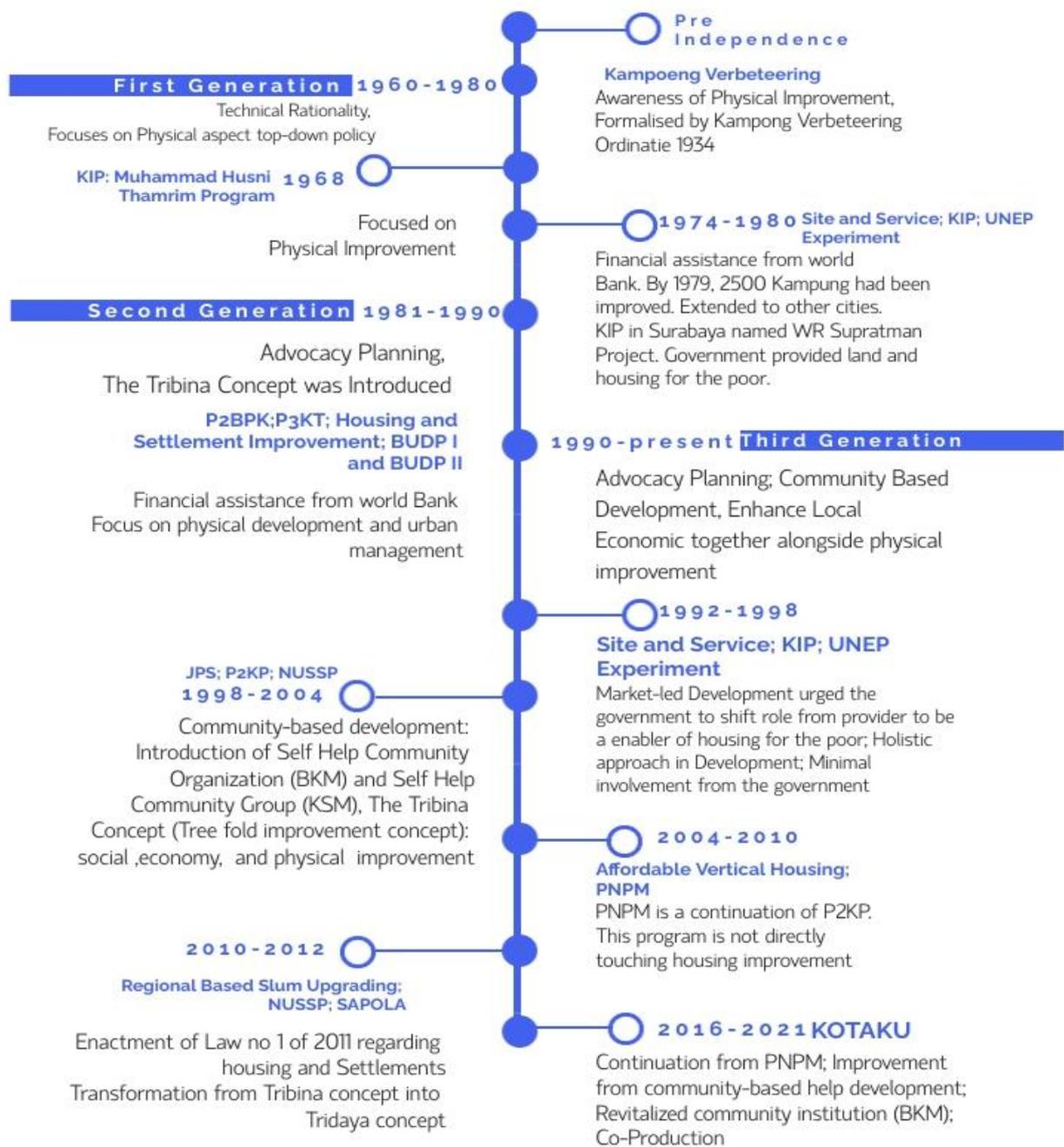


Figure 2 THREE GENERATION OF INDONESIAN SLUM UPGRADING

Source: Author (2021) adopted from Winarso (2021)

By 1979, the KIP affected 3.3 million residents or almost 70 per cent slum population (Werlin, 1999). In 1983, the program was considered a success due to its ability to transform *Kampung* into a formal settlement and provided tenure to residents, thus receiving the Aga Khan Foundation International award (Purwantiasning, 2011; Winarso, 2021). Consequently, the KIP program was integrated into a national-scale policy and received funding assistance from the World Bank began to be implemented in other cities such as Surabaya, Samarinda, Balikpapan and other cities in Java. In the KIP II project, the government carried out illegal housing eviction and replaced them with four-storey flats collaborating with private sectors (Purwantiasning, 2011).

The KIP evaluation considered that this program was unsuccessful in reaching its goal (Werlin, 1999). In 1991, community self-help upgrading ran slowly. Since the program does not involve the community, the community was less motivated to maintain infrastructure (ASPEK, 1999). Less than 20 per cent of the household had in-house water connection (Crane, 1994), while 40 per cent of the Jakarta population depend on groundwater that had contaminated (World Bank, 1994), and an estimated 30 per cent of solid waste was uncollected (Werlin, 1999). Communal toilets and washing blocks previously built are damaged due to poor maintenance and no longer used by the public (ibid). In the first generation slum upgrading program, the government role was still dominant while community participation was deficient. The government fully determines the target and development, while the involvement of local residents was only limited to the object of the survey. At the implementation stage, the infrastructure construction process was carried out by private contractors so that the quality of the buildings was good. Unfortunately, the poor maintenance results in an unsustainable impact on the community (see Winarso, 1999). A study conducted by the World Bank in 1995 reported that the kip program also created a new urban problem, namely gentrification. The reason was that the value of land in KIP *Kampung* that had been developed was higher than non-KIP *Kampung*, thus attracting private developers to turn this area into a business district. The high demand and limited supply of land further increased its value, making residents choose to sell their land at a high price to developers (Firman, 1997 in Werlin, 1999).

Furthermore, the purpose of providing affordable housing in KIP was not as expected. The four-story flats were only aimed at particular segments of society due to bias in determining the target group. The target group set was those who were able to pay their instalments on time. The provision of housing by private developers was entirely profit-driven (supply-driven approach). Therefore, it was difficult for the urban poor who worked in the informal sector to pay instalments because their monthly income was uncertain. It was exacerbated by the sluggish condition of the Indonesian economy at that time made mortgage interest rates increased. The housing policy at that time was driven by market development that perceived housing as an economic commodity (exchange value) rather than social concern (use-value) was blamed for this problem. The combination of high land prices and the inability to meet mortgage payments forced the *Kampung* resident to sell their land and move away.

Learning from the experience of the KIP program, the Indonesian government began to realize the importance of community participation and immediately implemented it (Winayati and Lang, 2004) through an advocacy approach. Community participation was expected to increase community motivation to maintain the facility after the project was completed. Therefore, in the second generation, efforts to encourage community participation began to receive attention. Coupled with the 1997 monetary crisis, which resulted in budget cuts, the government even more encouraged to cooperate with the public. The second generation's most prominent slum upgrading program is known as the "*Program Perumahan Bertumpu pada Kelompok*" (P2BPK) or the community-based housing development program. P2BPK's

strategy at that time was to organize community groups so that they could own houses with the help of government-owned bank loans (*PT Bank Tabungan Negara*). In addition, the government also encourages community groups to play an active role in starting construction, land acquisition, planning, construction and post-construction activities. The government set up a development consultant (Konsultan Pembangunan / KP) to assist and advocate community groups, the government, and private developers. However, some important notes are used to evaluate the program implementation. For example, the difficulty of the community in finding suitable land and the tendency of the Bank to consider granting housing loans to community groups is too risky compared to individual loans, coupled with the complexity of loan disbursement procedures, which are difficult for informal communities to meet (Sumarto, 2009). Community groups still seem unable to play a significant role in the slum upgrading program while the slum dwellers were considered powerless socially and economically.

Another example was the *Peremajaan Lingkungan Perumahan Kota dan Pengembangan Pemukiman* (PLPKP2) or urban renewal and housing development program in the city of Bandung. The program was designed to improve the physical and economic condition by allocating special funds for economic and social empowerment (Directorate General of Housing and Human Settlement, 2002). Strategy for empowering local socio-economy was carried out through physical transformation activities. The approach of the PLPKP2 program in Arjuna District, Bandung, in 1990 was carried out by displacing and rebuilding illegal buildings in slum areas with four-storey flats. In the implementation phase, slum dwellers were involved by empowering them in a new board responsible for managing and building slum neighbourhoods (*Badan Pembangunan dan Pengembangan Kumuh or BP4K*). At the time, the program had succeeded in increasing economic activity in the area as well as increasing the housing price that was previously unfit for living to become modern flats. However, this program was considered a failure in the long run. The focus of development was only on the physical and economic aspects in the short term (Directorate General of Housing and Human Settlements, 2002). In 2007, most of the earlier slum dwellers were replaced by new middle-class residents while the previous occupants moved out from the area (Winarso, 1999). It was very likely that they had moved to another slum. After the project ended and the slum dweller received a new house, they sold their new flat due to the attractive price. In addition, the role of the community at BP4K is not very clear (Winarso, 2021).

The third generation of slum settlements was marked by the awareness of the importance of improving other aspects besides physical improvements in slum upgrading inspired by the sustainable development concept. The *Tribina* (three-fold improvement) concept that combines physical, social and economic aspects has begun to be developed in 1998-2004 programs. It intended to encourage slum dweller productivity by improving their social-economic condition. Furthermore, this strategy was incorporated officially in the National Medium-Term (RPJM) development 2004-2009 as improving access for the poor through basic infrastructure provision, social amenities, and capital resources, especially supporting micro,

small, and medium economic productive activities (RPJMN, 2004-2009). In 2010 the *Tribina* (Three-fold Improvement) concept was upgraded into *Tirdaya* (Three-fold Empowerment) concept focusing on community empowerment. The consequences were more power distribution and room for collaboration given to the community since the community is positioned as a subject where the government enhanced their capacity in order to improve their economy, social and housing.

The slum upgrading program at the beginning of the third generation is known as the Urban Poverty Project (PNPM-P2KT). P2KT uses community-based development, which prioritizes moral development, good governance, and sustainable development. Community groups are given more options in development where they independently determine the direction and goals of development. A community-based organization called BKM (*Badan Keswadayaan Masyarakat*) consists of voluntary slum dwellers created to carry this activity. BKM in charge of determining the needs, making decisions, preparing the process, and implementing and maintaining the program's output while the central government provides funds and technical assistance. The BKM began collaborating with local government and concerned groups, upgrading slums all across the provinces. Besides physical development, to improve economic capacity, special funds from the project budget are used as a revolving fund managed by BKM to develop communities' productive assets to create a self-supporting community. Through this revolving fund, it was hoped that an independent and resilient community would emerge so that the main objective of slum upgrading is achieved in the long term. Because BKM is a non-governmental organization funded by the government, the productivity of this board decreases once the project was declared complete. The BKM became utterly dependent on the government fund; therefore, its self-supporting community construction goal was not achieved. Winarso (2021) wrote that the community was reluctant to financially contribute to maintaining physical assets since they were also struggling to fulfil their daily needs. The community saw that the revolving fund was a regular donation from the government; therefore, the sense of belonging and motivation are low to preserve this program (ibid).

In conclusion, the Indonesian experience in slum upgrading is inspired by western planning, especially in the first generation, which uses technical rationale and the second-generation's advocacy planning approach. In the third generation, learning from the two eras, the forerunner of the co-production approach operates where BKM and the government collaborate on slum upgrading. The following table (xxx) shows valuable lessons that can be learned and how the nuances of co-production appear in efforts to eradicate slums in Indonesia

| Evaluation of slum upgrading | The 1st generation | The 2nd generation | The 3rd generation |
|------------------------------|--|---|-------------------------------|
| The most prominent program | Kampung Improvement Program I and Iim Sites and Services Project | Community-Based Housing Development / P2BPK | Urban Poverty Project (P2KP), |

| Evaluation of slum upgrading | The 1st generation | The 2nd generation | The 3rd generation |
|------------------------------|---|---|--|
| Rationale | Technical Rationale | Collaborative Rationale (Advocacy Planning) | Collaborative Rationale (Co-Production) |
| Focus | Physical Improvement | Community Participation | Environment, social and Economic Development <i>Tridaya Concept</i> |
| Key Actors | Government and Developer | Community and NGO | Government, Community, NGO and Developer |
| Strength | <p>1. Produce basic infrastructure, health and education facility</p> <p>2. Provide security of tenure</p> <p>Increasing land value</p> | <p>Bringing the community into an active role</p> <p>providing access to affordable housing</p> <p>produce the forerunner of informal community groups</p> | <p>Holistic approach in slum upgrading: physical improvement, enhance social capacity, good governance and economic capability</p> <p>Community organization gaining more power in development activity</p> |
| Weakness | <p>Lack of community participation</p> <p>Bad governance: low construction quality, mark up price practice, corruption</p> <p>The change of land use from a residential area into a business district</p> <p>Gentrification</p> | <p>Difficult to access vacant land and housing credit by the community group</p> <p>community groups have not been able to fully cover the social and economic weaknesses of the community (i.e. low education and difficulties in meeting credit requirements proposed by the Bank)</p> <p>low community motivation to maintain the infrastructure</p> | <p>Broader target, not limited to slum dweller</p> <p>Complex relationship among actors</p> <p>Upgrading activities are dominated by social and economic improvement</p> <p>Sustain fund scheme does not work as plan, because the capacity building of community groups has not been maximized, making the ability to manage working capital for community groups is feeble</p> |

Table 4 Lesson Learned From Three Generations Of Slum Improvement In
(Extracted From Werlin, 1999; Sumarto, 2009; Kusumawati, 2010, Winarso,2021)

The latest effort to improve slum settlements is called the City Without Slum Program (KOTAKU), aiming to improve access to infrastructure and basic services in urban slum settlements and prevent the emergence of new slum settlements (Directorate General of Human Settlement, 2006). The strategy is to revitalized existing environment infrastructure and enhancing community capacity. KOTAKU was initiated in 2016 and funded by the central government, local government and international donor organizations like Islamic Development Bank, World Bank Group, AIIB, and ADB (USD837 million). The main feature of the KOTAKU is to revitalize the BKM role by enhancing financial support and providing technical assistance.

A working group called consists of experts formed to assist BKM. KOTAKU's vision is to achieve 100 per cent access to drinking water, zero per cent slum areas, and 100 per cent access to proper sanitation by 2019 (*the 100-0-100 key performance indicator*). The implementation is generally a co-production process that differs between one city and others depend on each condition. The information about KOTAKU will be described in the next section.

4.3 Kota Tanpa Kumuh (KOTAKU)

The National Slum Upgrading Program: The City Without Slums Program (KOTAKU) is an implementation of Indonesia's 2015-2019 medium-term development plan, which mandates the development of urban areas through handling the quality of the residential environment using three general strategies, (1) improving the quality of slum settlements, (2) prevention of new slums growth and development, and (3) sustainable livelihoods (RPJMN, 2015). This program is implemented in 34 provinces to address 27,199 hectares of slum areas (see figure 3). The central government initiated this program through the ministry of public works. KOTAKU supports local governments to act as "*nahkoda*" -skipper- (the main actors in the slum upgrading implementation) and treat the community as subject development through revitalizing the BKM role. Learning from the previous slum upgrading experience, the designers of KOTAKU believed that actively involving stakeholders would bring a positive impact, including increasing the commitment of local governments in achieving livable cities, increasing the community sense of belonging and responsibility in utilizing and maintaining development results, and ensure sustainability and increase public and private trust (Directorate General Human Settlement, 2016).

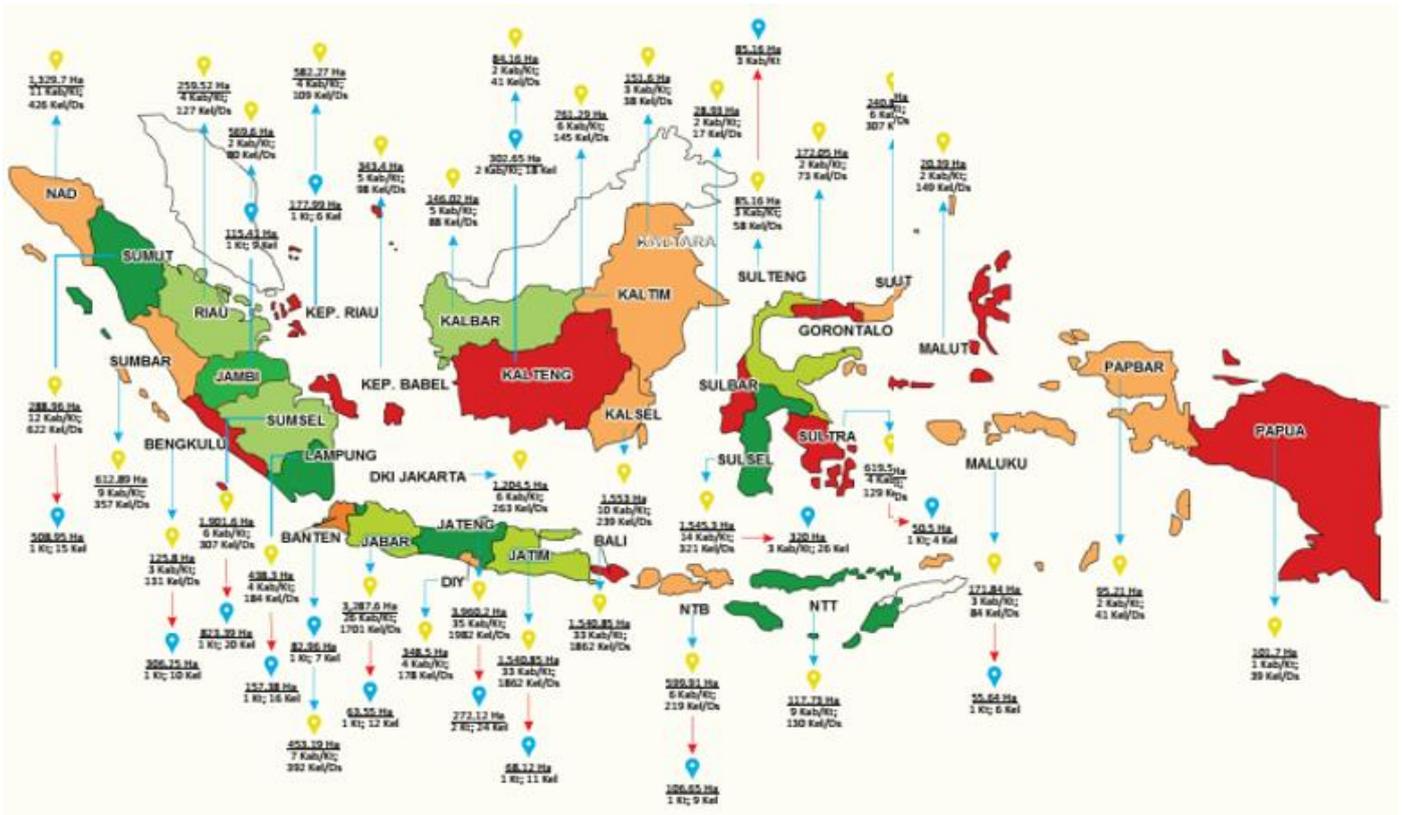


Figure 3 project Location of KOTAKU
 Source: Directorate General Human Settlement, 2016

KOTAKU is a collaboration platform where the basis for handling slums is carried out through the integration of resources and funding from various stakeholders. The KOTAKU program is developed from the previous national-scale community-based development program (see graph XXX). This previous program provided valuable input for the development of the KOTAKU strategy as well as given important assets in the form of (1) community institutions that have been formed at the city, district and village levels (BKM); (2) the atmosphere and experience of collaborating between the community and local governments and (3) better capacity consultant team and experience in assisting the community.

| | Goal | Achievment | Public Organization |
|--|---|--|--|
|  1999-2006 | Institutional building of community and Good governance | Representative community institutions, rooted and accountable | BKM is establish at the district and village levels. The BKM Focus on poverty alleviation |
|  2007-2014 | Institutional building democratic society and poverty alleviation | Improvement of environmental quality and good governance | BKM capacity enhancement Focus on poverty alleviation |
|  2015 | Facilitate the preparation of 100-0-100 baseline and settlement profile | Databased of slum and problem map | Transition periode, creating database, problem map and preparation for focus shifting |
|  2016-2021 | <ul style="list-style-type: none"> • Improvement of facilities, infrastructure and public utilities quality, • Decrease of slum area, • Enhancement community institution and formulation of integrated plan at district and city level | Improving the Quality of Slums and Prevention of the emergence of new slums | BKM Capacity Enhancement in the city district and village level. Focus on prevention and slum upgrading |

In implementing slum upgrading, the KOTAKU Program is guided by the following principles:

- (1) Local government as skipper.
The local government and district/village government lead the collaborative management activities with various stakeholders and involve the community and other concerned groups;
- (2) Comprehensive and outcome-oriented planning.
Settlement arrangement is carried out with a comprehensive mindset and oriented towards achieving the goal of creating livable settlements according to the district/city vision that contributes to the national target achievement of 0 ha of slum settlements;
- (3) Synchronization of planning and budgeting.
The slum upgrading plan is a regional government product that refers to the vision of the district/city in the regional mid-term development plan. The slum upgrading plan is integrated with general development planning at the district/city level, where the implementation process is adjusted to the budgeting cycle. The plan for slum upgrading at the district/city level accommodates the community plans level, followed by budget integration from the Provincial Government, regency/city government to village and sub-district governments;
- (4) Participatory.
Participatory development by combining top-down and bottom-up planning so that community-level planning will become an integral part of more macro/city-level planning.
- (5) Creative and Innovative.
The creative principle in slum upgrading is an effort to constantly develop new ideas and ways to see the problems and opportunities to achieve common prosperity and create a livable residential environment.
- (6) Environmental and Social Management to ensure sustainability.
KOTAKU's investment program must contain the principles of sustainable development; thus, it is necessary to apply certain principles and procedures that refer to the Environmental and Social Management Framework of the KOTAKU Program in the planning and implementation process.
- (7) Good governance.
This principle makes the activities of slum upgrading settlements a trigger and a booster to build the local government's and community's capacity to carry out and manage their regional development independently by implementing good governance.
- (8) Investments in the handling of slum settlements must support the development of the city and be able to increase the capacity and carrying capacity of the environment.
- (9) Revitalizing the role of BKM.
Shifting the BKM role from focusing on poverty alleviation to preventing and improving the quality of slum settlements.

The KOTAKU program prioritizes the collaboration of all stakeholders in handling slum upgrading through two approaches: preventing the expansion of slum areas and improving the quality of slum settlements.

The collaboration process focuses on financing collaboration (central government, local government and donor agencies) and collaboration on the infrastructure implementation process and its supporting activities with the local government and community (Sudirman, 2019). In order for the collaboration process between the government and the community to run optimally, the first step is to increase the capacity of BKM as a social institution. The government formed an advisory team consisting of experts to bridge the coordination between BKM and local governments. This advisory consultant provides technical assistance to strengthen information systems, monitor the slum upgrading, review options for resolving land problems. Furthermore, BKM is expected to develop the local economy to improve sustainable livelihoods and prepare plans for handling slum settlements at the district/village/city level, including financial plans. The local government plays a role in advocating the security of tenure and facilitating changes in people's attitudes and behaviour in maintaining the settlement environment to be livable and sustainable. While maintaining and operating activities directly related to solving problems in slums are carried out jointly by the government and BKM.

KOTAKU's vision is to increase access to infrastructure and basic services in urban slums to realise livable, productive and sustainable urban settlements. (Directorate Human Settlement, 2021). This vision will be achieved through the following five outcome indicators:

1. Increasing community access to urban infrastructure and services in slum settlements;
2. The decrease in the area of slum settlements due to better access to urban infrastructure and services;
3. The establishment and functioning of institutions, namely the Housing and Settlement Area Working Group (Pokja PKP) at the district/city level to support the KOTAKU program;
4. Beneficiaries are satisfied with the quality of urban infrastructure and services in slums;
5. Improving community welfare by encouraging sustainable livelihoods in slum areas;

The KOTAKU program involves multi-level government, community and private parties. The organizational structure of these actors can be seen in the figure 5

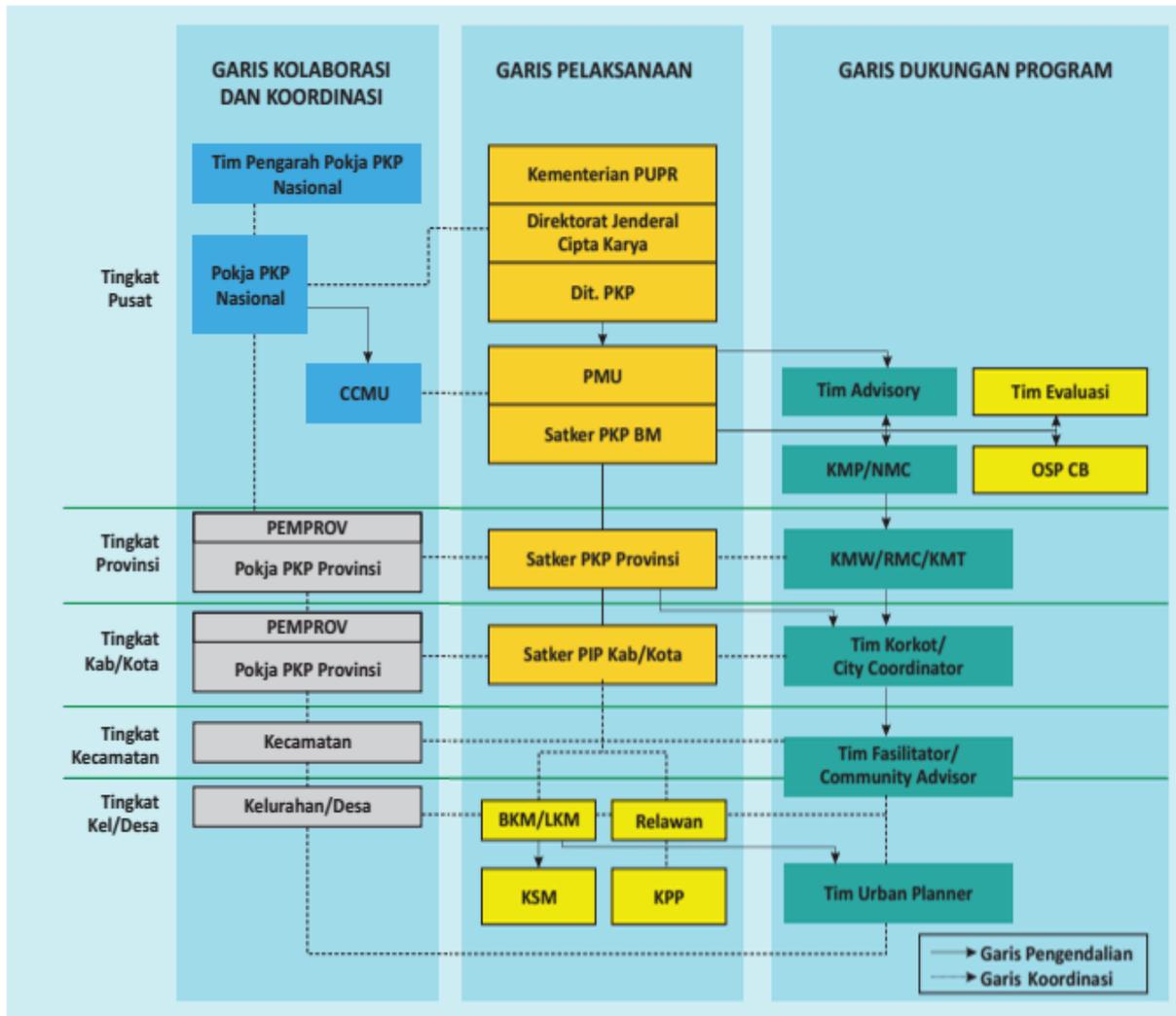


Figure 5 KOTAKU Organizational Structure
 Source: Directorate General of Human Settlements (2006)

The organization for policy coordination at the national level consists of the Ministry of Public Works and Public Housing as the leading sector for the national program, through the Directorate General of Human Settlements, which assigns the Project Management Unit (PMU) to be responsible for the overall coordination, management, financial administration, control, and project reporting. To encourage collaboration and coordination at the national, provincial and city levels, a housing and settlement area working group was formed (Pokja PKP) whose task is to ensure the synchronization of vertical and horizontal policies across sectors (government internals) and effective collaboration between stakeholders (government, community, consultants, business world, universities, and NGOs). The Pokja PKP consists of policymakers from the technical ministries such as Ministry of Public Works and Public Housing, Ministry of Finance, Ministry of Home Affairs, Ministry of Agrarian and Spatial Planning, Ministry of Health, Central Statistics Bureau, Coordinating Ministry for Economic Affairs and Coordinating Ministry for Human Development and Ministry of Culture and led by the National Development Planning Agency. This Pokja PKP structure also applies at the district level.

At the implementation level at the sub-district, sub-sub district and village levels, the BKM role is to coordinate, facilitate, control, and supervise the activities of non-governmental groups. BKM is a community representative institution that coordinates co-production activities between non-governmental groups and the government. Furthermore, a Beneficiary and Maintenance group (KPP) was formed consisting of the community To carry out infrastructure maintenance. KPP is responsible for executing operational and maintenance plans and providing periodic reports to community representatives (BKM) and local governments.

The KOTAKU program consists of five main components that support each other. The first and second components focus on capacity building. The first component is developing institutional strategies and policies that continued with capacity building of local governments and communities, including support for integrated slum upgrading management planning. These two components are one of the power distribution efforts to make collaboration can operate optimally. Institutional development and policy strategies are the domain of the central government (National Development Planning Agency and Ministry of PUPR). The second component is capacity building of local governments and communities in program implementation, including the stages of preparation, planning, implementation, and sustainability. The output is that the local governments and communities can develop plans for dealing with slums that integrating resources, aspirations and medium-term development missions in the regions.

The third component is an investment in infrastructure and urban services. Infrastructure support and investment services provided at the regional scale and neighbourhood scale. At the regional scale, support is prioritized on regional development, improving primary, secondary and tertiary infrastructure networks quality (household level). For slum upgrading at this scale, physical construction is carried out by the government and the private sector through contractual mechanisms. Meanwhile, slum upgrading at the neighbourhood scale, support is provided to improve the quality of tertiary infrastructure networks implemented by the BKM. The community carries out the implementation on a self-managed basis.

The fourth and fifth components support the implementation of technical assistance and support for other programs or activities including support for disaster emergencies. This component aims to strengthen the capacity of local government and BKM. The implementation is in the form of providing experts as coordinators and facilitators between the city hall and BKM. In addition, the central government also provides financing for management activities related to implementation, including regular financial audits for community groups, GIS mapping training and other technical facilities. Furthermore, financial assistance for monitoring and evaluation activities is also provided.

Chapter 5. Finding: How Co-production Emerge In Indonesian Slum Upgrading Program: The KOTAKU

Illustration of slum upgrading success cases in Surakarta, Bali and Surabaya will be used as a tool to help understand how the co-production emerge in the Indonesian slum upgrading program

Illustration 1: Land Consolidation approach in Semanggi Village, Surakarta City, Central Java Province.

Slum settlements in Semanggi Village are one of the typical slum settlements in Indonesia that occupy land illegally. Around 653 families occupy the Pepe riparian area, while others live on land owned by the city government. The municipal proposed a land consolidation approach in slum upgrading and residents were temporarily relocated outside the village and later on will be re-relocated once the upgrading is completed. The idea is to upgrade villagers' housing and neighbourhood while the river riparian area returned to its original function. Housing located in riparian areas can be moved and arranged more efficiently in other areas using the land consolidation approach. Each resident is given 40 m² of land and secure tenure (on the original area), compensation for buildings of 300 euros per square meter, and livable housing.

The community is involved in every phase of the activity. Community organization collaborate with government managing the slum upgrading process, starting with self-enumeration activities to collect data on affected residents, absorb the aspirations, plan development, and carry out physical activities such as dismantling existing buildings and construction. Furthermore, after the agreement between the city government and the community is reached, the central government provides a special allocation fund to finance this slum upgrading project. The local community character that will be open to collaborating if approached in a family manner is the key to co-production in Semanggi village.

Illustration 2: Tukad Bindu, Denpasar City, Bali: from a haunted place to a tourist spot.

Tukad Bindu is a slum area in downtown Denpasar, Bali, located on the edge of the Tukad Bindu river Kesiman Village, Bali Province. Starting from the initiative of several people to stop the habit of throwing garbage in the river, the local BKM began to design slum upgrading independently. The initial idea was a betterment for the riparian area with a 1-1.5 m wide inspection road built. Betterment activities start from a small scale which the community works together to clean the river and stop river pollution habits. In 2013, the city government provided financial assistance for the bridges, paving roads, park development, and peturasans (urinary) construction. Furthermore, in 2014, BKM was given financial assistance of around 29 thousand euros as a part of the National slum upgrading program. After the project was completed in the same year, the community independently maintained the previously built infrastructure and even improved its quality. Tukad Bindu community has valuable assets in which are independent BKM and long-term planning. These two assets were allowing them to develop their neighbourhood together with the government as an equal partner. Currently, Tukad Bindu became a

community gathering place, gradually becoming a tourist spot. A 10 ha communal land dedicated by the local community for a business place. The characteristics of its citizens play an essential role in the success of slum upgrading. Balinese culture respect and obey local traditional and religious leaders. With full support from traditional leaders, BKM can work more effectively. In slum upgrading in Tukad Bindu, the government acts as a donor and technical advisor.

Illustration 3: Health Safety Security Environment in Jagir, Surabaya

Jagir once was a slum neighbourhood located in the heart of Surabaya city, West Java Province. Co-production in Jagir village began with the government's focus on strengthening the capacity and capability of BKM. The success of BKM in cooperating with the private sector to collaborate in slum upgrading project indicates that the capacity and capability of this community institution has increased. BKM in this village has been established since the first half of the third generation of slum upgrading in Indonesia. After strengthening capacity and capability through the KOTAKU program, the BKM can formulate its neighbourhood and settlement plan. This plan highlights eco-friendly neighbourhood and fire safety mitigation aspects, thus attracting PT Pertamina (a national oil company) to allocate the necessary funds for the improvement of slum areas. The fact that PT Pertamina has an office located next to the jagir village is well utilized by BKM to incorporate corporate values such as environment friendly, social responsibility and companies as small business partners into their village developing theme.

In addition to developing neighbourhood infrastructure such as drainage, fire suppression installations, better housing arrangements, and green paths, the slum upgrading project is also oriented towards environmental and local economic innovation. Several business units run by community groups were developed to increase the community's economic resilience to enhance the economic capacity. Business units such as urban fisheries, hydroponic farming, domestic wastewater treatment plants, and processing organic waste into compost are organized by the community through BKM coordination, technical training from the city government and funding from the private sector. This business unit is proven to improve the local community's economy and increase motivation in maintaining development outcomes; thus, the slum upgrading program becomes sustainable. The local community's character who is accustomed to working together in business (through a *Koperasi* platform - a community-based economy principle) is one of the factors driving the success of co-production in this village.

5.1 Negotiation Process

The KOTAKU slum upgrading project meets the expected targets and is widely accepted nationally (See Appendix A). constellation of negotiation processes in building consensus by formal and informal actors through the parameters of power, legitimacy, and resources can explain how the co-production project undertaken can be widely accepted. According to Herrle and Fokdal (2011), as long as the configuration of

interaction actors and activities and their roles can provide certainty, security, social and economic well-being, they are usually accepted to manage resources and power and legitimacy effectively.

Power

In Indonesia's democratic system, the government has high power in making decisions related to the general public interest, especially in slum area related policy. The power to make plans, grant permits or issue binding regulations, and determine the criteria for slums that later will affect funding allocation until implementing infrastructure is the government's domain. Meanwhile, slum dwellers who are informal groups are in a weak position in the context of legality. For example, a typical slum area in Indonesia is the illegal land occupation whose designation is not for settlement by the slum dweller (Directorate General Human Settlement, 2016). The slum dweller power comes from informal communal social power where slum dwellers self-organize so that they have the power to occupy land illegally or build houses without regard to safety codes.

In the KOTAKU program, the attempt of power distribution from the government to citizens is clearly visible. The government's strategy to increase the capacity and capability of the community is clear evidence of giving power to the community. The power distribution is also carried out between the central government and local governments by enhancing local governments to become the development leader. Decentralization makes slum upgrading projects more contextual and unique in each region according to the character and needs of each region. The central government's power is in determining macro development policies, regulations and strategies on a national scale to remain consistent with the national development agenda. The local government's power is to determine the definition of a slum area (a condition for funding a slum upgrading project is an area defined as a slum by an authorized official) and regulations at the regional level as well as implementing regional-scale projects that require technical competency. The community has the power in planning, implementing projects, operating and maintaining infrastructure lies in the hands of the community.

Legitimacy

Indonesia is a state of law that hold up the rule of law to uphold truth and justice, and all branches of power can be accounted for. Therefore, from the legal standing, the government's legitimacy is solid. However, decisions related to slum settlements in the previous period were often unpopular with the community, so their legitimacy in the community's eyes was low. (see chapter 4.2 Indonesian Slum Upgrading Experience). On the other hand, community legitimacy is de jure low but de facto high; for example, the government at a certain level tolerates people collectively living in slum areas, occupying land illegally to avoid social unrest. Through power distribution, the KOTAKU program encourages community participation and gives legitimacy to the slum upgrading projects to increase community acceptance. With the high legitimacy of the slum upgrading project, the community's sense of belonging to the project is also high so that the

community is motivated to maintain the development results. In addition, the principle of “planning from the community for the community” in the KOTAKU program gives legitimacy to community groups (Sri, 08-06-2021).

Resources

The government has considerable resources in the form of the availability of financial and human resources. These two resources are used to increase community groups' capacity and capability and finance infrastructure development. With the increasing capacity and capability of the community, they can collect and produce their own new resources to bring to the negotiating table. Community resources are human resources, land, social capital and information that can be used to provide services and implement projects. Therefore, a transfer of resources from the government to the community leads to the project of slum upgrading gain more acceptance.

| Parameter | Public (Government) | People (Slum-dwellers) |
|------------|---|--|
| Power | Planning and implementing infrastructure and regulatory | Power to planning, Implementing project, operating and maintaining infrastructure |
| Legitimacy | Strong legal position by law, Enhancing participation bring leverage to project legitimacy | Sense of belonging, legitimacy in implementing the project |
| Resources | Plenty of financial and human resources. Using these resources to enhance community capacity and capability | Limited financial resources, ownership, social capital, land and human resources and |

Table 5 Regime Matrix power, legitimacy and resources in KOTAKU in negotiating collaboration

The configuration of managing power, legitimacy and resource parameters, in this case, shows an ongoing initiative from the government to make the community become an equal partner in order to be able to produce together and combine their assets to achieve common goals (see table 5).

5.2 Influence Factors

5.2.1 Influence Factors from Government Side

Compatibility of public organization with citizen participation.

The government provides facilities for community participation and institutionalizes community organizations, strengthening their capacities and capabilities through providing technical support, funding, advice, and training to their organizations. BKM is the collective leadership board of the community, and as an institution, BKM can act as a representation of the community. BKM act as a community leadership institution and as an institution control for poverty reduction activities. BKM as a collective leader is needed when the community sees poverty as a common problem that must be tackled together so that a leadership institution is needed that is able to control the joint movement and to be able to lead the poverty alleviation movement from, by and for the community as a joint effort. BKM consists of community members who are voluntarily elected democratically by the community based on local wisdom. The independent BKM has become the driving force for the community in dealing with slums independently and in partnership. At the beginning of the KOTAKU period, 11,067 BKM had been formed throughout Indonesia, of which 91.94 per cent were independent (*www.kotaku.pu.id, 2021*). This BKM controls the Non-Governmental Organization (KSM), which is the implementing unit for activities in the field

Open attitude towards citizen participation.

Based on the results of interviews, a review of official documents and literature shows that since Indonesia has entered the third generation of slum upgrading, decision-makers are very committed to actively involve the community in all stages of activity in the KOTAKU program. The commitment to increasing the capacity and capability of BKM is clearly written in the principle of the KOTAKU program, namely "*The KOTAKU Program encourages local governments as skipper in handling slum settlements and prepares communities as subjects of development through revitalizing the role of the Community Self-Help Agency (BKM) (Directorate General of Human Settlement, 2016).*" At the practical level, a team of development consultants is formed and coordinated by the government at the national, provincial, city and village levels, whose task is to increase the capacity and capability of BKM.

Risk-averse administrative culture

"Improving the capacity and capability of BKM aims to make BKM an equal partner in slum upgrading activities so that KOTAKU's main strategy of making the community the subject of development can be carried out. This shows that progressive bureaucratic culture strongly influences the design of the KOTAKU"

(APG, 01-04-2021). In addition, to meet the good governance principle, the risk of fraudulence in the implementation of government programs needs to be minimized. "The check and balance mechanism is designed to overcome government scepticism about the output quality work carried out by the community" (APG, 01-04-2021). From the financial side, BKM is trained and assisted in professionally managing its financial record. BKM's financial reports are audited by a public accounting firm and then published to the public alongside the government as development partners to increase accountability. Meanwhile, in the work quality aspect, local governments carry out periodic supervision and assistance provided by development consultants during physical projects to ensure the quality of infrastructure is under Indonesian national standards (SNI). Furthermore, the online public complaint system on the KOTAKU website (www.kotaku.pu.id) was operated, making all community elements could monitor the co-production activities of BKM and local governments; thus, the management of the KOTAKU program was following the principle of transparency.

Presence of clear incentives for co-production.

The government's motivation involving the community in the KOTAKU program is as follows:

1. The co-production model can increase participation, legitimacy and sustainability of the project.
2. Effective targets. BKM has accurate data on social, economic and infrastructure conditions in its neighbourhood. The legitimacy of this database is solid in the community eyes because the compiling process is carried out by the community independently; thus, the slum upgrading project will be right on target and widely accepted by the community. BKM also makes a program plan within the scope of the neighbourhood prepared by the local community that is synergized and integrated with community-made urban slum management planning. This co-design activity makes the slum upgrading program effective and targeted (ANS, 01-06-2021)
3. More transparent and accountable. BKM is managed with sound governance principles that ensure high development standards, bankable and accountable bookkeeping.
4. Sustainability. The most valuable lesson from the previous slum upgrading program is the lack of community motivation in maintaining development outcomes due to community participation only at a particular stage. In the KOTAKU program, BKM coordinates with the Beneficiary and Maintenance Group (KPP) team consisting of the community and volunteers to maintain the infrastructure that has been built. KPP is an independent organization that obtains funding from community self-management, government assistance and the private sector. The KPP also manages its finances so that it can continue to operate and maintain infrastructure even after project activities have ended. With the community's involvement in every stage of the program (starting from the planning phase, implementation of utilization, maintenance and evaluation), the community sense of belonging will be strong. Consequently, motivation to keep maintain the results of development is solid

Based on the findings, I conclude that the government uses three important actions to overcome obstacles in building co-production. First, a top-down policy that supports co-production that in line with Pestoff work (2009) that conclude “..A favourable regime and favourable legislation are necessary for promoting greater co-production.. Only co-production and greater welfare pluralism can promote democratic governance of welfare services” (Pestoff, 2009 p.222). KOTAKU is a central government program that is centralized directives laden. A Steering team of national housing and settlement working group designing and directing KOTAKU from the general policy documents to technical implementation instructions. The National working group coordinate policy frames that enhance co-production and leave room for local government and community at the practice level making the KOTAKU program implementable in all 34 provinces of Indonesia. Strengthened by pro-inclusion Indonesian law in human rights, housing and settlements, agrarian and spatial planning strongly encourage the active participation of the community to achieve general welfare. KOTAKU strategy that focuses on promoting co-production policy (see Chapter 4.3) support with favourable legislation provides a suitable environment for co-production.

Second, promoting entrepreneur policy that stimulates co-production. Policy entrepreneur is individual or organization who construct, advocate and implement policy change, whose traits are willing to invest resources, good reputation and network skills, and persistence. (Huitema et al., 2011). The involvement level of policy entrepreneurs is different depending on the local context (governance and political system). Based on findings, the majority role in shaping co-production plays by entrepreneur bureaucrats, politicians, or NGO's experts. The policy entrepreneur is mainly the development consultants appointed by the government through a tender mechanism, even though they come from local leaders in several locations. The development consultants commonly recruit local residents to help carry out their duties as community facilitators. This micro-scale policy entrepreneur is needed to face the character of a pluralistic Indonesian society where Indonesia consists of more than 5000 islands with more than 700 tribes and 1000 languages. This finding also in line with Fuglsang (2008) that wrote policy entrepreneurs can also be appointed to promote the co-production initiative.

Finally, the government enhancing discretionary autonomy for professionals to create more effective co-production. Although KOTAKU is a central government program, KOTAKU emphasizes local governments to lead the proposed implementation. As discussed in chapter 4.3, KOTAKU's two main strategies are to make local governments the captain of slum upgrading and revitalize the role of BKM. Local governments best understand the character and unique needs of slum improvement in their area. Furthermore, flexibility is also given to development consultants to determine the approach that is considered the most appropriate in assisting community groups. This finding is in line with what was conveyed by Cameron et al. (2011) that adequate power policies must be given to field implementers to meet specific requests from clients. Centralized mechanisms tend to stiffen the participation process and hinder the government's

responsiveness in co-production. The provision of discretion makes the provision of services decentralized easily adaptable to local needs, thereby increasing community participation.

5.2.2 Influence Factors from Community Side

Citizen characteristic

The community characteristics are highly influential on the success of the implementation of co-production. Family, social, cultural and religious values adopted play an essential role in community acceptance of the change. The low education level of low-income people living in slums requires assistance and socialization with the language they can understand. Using complicated, technical and scientific terms is often misunderstood by the community and makes them defensive and withdraw from communication.

Awareness/feeling of ownership/being part of something

The sense of belonging or being part of the project provides a strong motivation to continue and maintain development outcomes. The illustration in the cases of Surakarta and Bali shows that the combination of assets in slum upgrading activities creates a strong sense of ownership, making high community participation. Data collection activities will be more accurate if carried out by the community themselves, and maintenance activities will be maximized if carried out by local communities because they have abundant knowledge, time and energy for these activities.

Presence of Social Capital

BKM is the most influential social capital in the implementation of co-production. As explained above, the legitimacy of BKM is very high from the slum dweller perspective. BKM is felt related to them as a representation of the community interest because it comes from their own circles and is directly elected. The existence of BKM has proven to have a positive effect on co-production in slum upgrading. The presence of BKM as a means of participation is a driving factor for the success of co-production

Based on the finding, there are four government's actions to shape co-production from factors that influence the citizen. First, by cutting the cost of participation, the government can increase citizen participation. Through revitalizing the role and capacity of BKM, the cost of community participation is much cheaper than through traditional communicative channels or through representative institutions. The availability of BKM as a participating channel allows slum dwellers to save valuable energy and time to participate and avoid interference from the interests of outside actors. The finding is in line with Weinberger and Jütting (2001) research which shows that the high participation cost can explain the exclusion of the poor group in participation; thus, reducing transaction cost can help to build trust and social cohesion. Co-production in slum upgrading is an interactive process of providing long-term welfare services, which is the need for continuous interaction between communities, community groups, and the government. Direct community representation in BKM enables this interaction process to be run economically on a neighbourhood scale. Furthermore, financial support to community organizations is

proven to be influential in increasing community participation. Learning from the earlier third-generation era, where little attention is given to the community organization capability, the KOTAKU allocate a more considerable portion of the budget to be invested in community organization capacity building.

The second action is creating policy to generate a sense of ownership (Lindahl, Lidén, and Lindblad 2011; Ostrom 1996). KOTAKU policy indirectly stimulates public awareness to create a strong sense of belonging to slum upgrading projects. It is proven from the negotiation process in building a consensus that shows serious efforts to distribute power to increase legitimacy, up to the strategy of increasing BKM capacity and capability, which has an impact on increasing the community's sense of belonging. This finding is also inseparable from the evaluation of slum upgrading experience in the previous years, especially when entering the second generation using a collaborative planning approach, which shows the lack of community motivation to maintain the development results due to a lack of sense of ownership over the slum upgrading project.

Chapter 6. Conclusion and Reflection

6.1 Conclusion

The nuance of co-production in the KOTAKU program was born through a long trial-and-error-like process, extracting a valuable lesson from more than six decades of Indonesian experience. The technical approach with dominant government-oriented intervention in slum upgrading used in the 70s proved ineffective and was soon replaced with an advocacy approach. Later evaluations showed that limited community involvement appeared to be a weakness of advocacy, resulting in low community motivation in maintaining infrastructure. Learning from this experience, the attention of policymakers began to shift to a community-based development approach. Unfortunately, the community-based development approach has not yielded maximum results. One of the reasons was that the community organizations need strong support from the government to become self-reliant. Through this long lesson, the designers of KOTAKU focused on strengthening the capacity and capability of community groups as the foundation for slum upgrading strategy. The collaborative planning approach brought by experts and donor agencies from the global north began to adapt to the local context, giving birth to an Indonesian-style co-production approach.

Co-production in the KOTAKU program is not purely a social movement or an alternative to public engagement that occurs due to a weak state that cannot provide for the basic needs of its citizens. In most cases, the co-production approach was born from government initiatives through sequential evaluation and improvement process from the long experience of slum upgrading. The global north collaborative planning approach was modified according to the Indonesian needs and context. Albeit the official document does not use the term co-production (instead the term collaborations used), in reality, the nuances of co-production clearly exist in the vision, strategy, approach used and implementation. The characteristics of co-production as described by Watson (2014) and Bovaird and Loeffler (2012), namely community involvement not only at the planning stage but also in the implementation and evaluation stages, are the main features of KOTAKU.

The co-production between community and government in the KOTAKU program can be seen in four phases: preparation, planning, implementation, and sustainability. In the preparation phase, the focus is enhancing the capacity and institutions of the community organization through assistance from development consultants and local governments. The central government prepares macro policy tools and increases local government commitment, while the local government portion is strengthening institutions and capacity of community organizations and developing and managing the slum data information systems. Community groups act as spearheads in gathering primary data in their neighbourhood. The result of self-enumeration and mapping by the citizen is used as a basis for slum upgrading. This similar tactic of co-production can also be found in India, which recently has been scaled up by international NGOs such as SDI and ACHR to be an international practice (see Watson, 2014). "The self-enumeration tactic was originally

developed amongst pavement dwellers in India to support their claims for recognition, but is now regularly used to reinforce and specify demands by poor communities, and to increase their “visibility” to the state (Watson, 2014 p.67)”. Interestingly, in Indonesia cases, the government is the one who encourages the community to implement this tactic through redistribution of power and resources that impact increasing legitimacy. The goal is that the community, as a key actor in the slum upgrading project, can improve their quality of life independently and sustainably.

The planning phase is conducted by joint planning between government and community. The government takes the lead in regional-scale planning (above 15 hectares of slum area), while the community is in charge of making plans for their neighbourhood development and preparing proposals for activities to be carried out by the community in the implementation phase. In the implementation phase, community groups are organizing slum dwellers to execute the physical project and manage small scale businesses, and the government provides funding and technical assistance. Finally, in the sustainability phase, the community through the KPP Team plays a role in infrastructure maintenance and evaluation. At each phase, community groups are always accompanied by consultant development to increase community capacity. Community involvement is much broader, starting from planning interventions, data collection, plan formation, implementation processes, and managerial activities. At the same time, the state's role is more on the side that cannot be handled by the community, for example, land acquisition and ownership, large-scale infrastructure and co-financing. Furthermore, finally, power is distributed more evenly between state and civil actors because each actor contributes resources in the collaborative process.

The community acceptance of slum upgrading projects cannot be separated from the power-sharing efforts that are the focus of the KOTAKU program. This effort is realized through government initiatives in the negotiation process with informal communities to reach a consensus. It is starting with efforts to increase the community capacity and capability to allow the community to have an equal role in public services provision by bringing resources into the negotiation process. The community can increase their "bargaining position" on the negotiating table by having tangible and formal resources. The power to plan, implement projects, operate and maintain infrastructure passes into the community hands, allowing the community to be involved in all stages of the slum upgrading project. In the end, the legitimacy of the slum upgrading project is not only limited to the legitimacy of the legal aspect for the bureaucracy sake, but also the growing sense of belonging by the community towards the slum upgrading project. The co-production approach can answer the power imbalance issue that tends to result in communicative actions such as 'public participation' is dichotomized only to legitimize the system by the power holders.

6.2 Reflection and Recommendation for Further Research

This thesis does not discuss the success or failure of the KOTAKU program; instead, it aims to see how the nuances of co-production appear in the slum upgrading program in Indonesia as a form of adjustment to

communicative planning theory. The theory of communicative planning brought into Indonesia by western experts does not necessarily universally applied to Indonesia. The long experience of Indonesia's slum upgrading efforts has inspired policymakers to reflect on the theory of the global north, which in the end gave rise to a model of cooperation between the community and government in the style of co-production.

The challenge in writing this thesis are: first, it is impossible to perform field observation due to the covid-19 pandemic. Second, the implementation of "the work from home" policy due to the covid-19 outbreak coupled with the 5 hour time difference between Groningen and Jakarta made interviews with public officials more difficult. Lastly, another challenge faced was the difficulty of community leaders during interviews using online media such as Google Meet and Zoom since they were not used to it; thus, some interviews were conducted using the Whatsapp application.

The KOTAKU program is currently underway, making it is not easy to evaluate its success. It takes a long time after the slum upgrading program is declared complete for evaluation to be carried out. The reason is that the purpose of slum upgrading is to improve the quality of life of its residents and to see how far this goal is achieved needs a relatively long period. Therefore, further research to answer whether co-production in slum upgrading successfully challenge the current planning practice paradigm is an interesting aspect of studying.

References

- Allmendinger, P. (2002). Towards a post-positivist typology of planning theory. *Planning Theory*, 1(1), 77–99.
- Allmendinger, P., 2017. *Planning Theory*. Macmillan International Higher Education.
- Abers, R. 1998. From clientelism to cooperation: Local government, participatory policy, and civic organizing in Porto Alegre, Brazil. *Brazil. Politics & Society*, 26, 511–537
- Alford, J. 2009. *Engaging public sector clients: From service delivery to co- production*. Basingstoke and New York: Palgrave Macmillan.
- Alford, J., and S. Yates. 2016. Co-Production of Public Services in Australia: The Roles of Government Organisations and Co-Producers. *Australian Journal of Public Administration* 75 (2): 159–175. <https://doi.org/10.1111/1467-8500.12157>.
- ASPEK, & BPSM-PUCK. 1999. Pedoman umum pemberdayaan masyarakat melalui pengembangan prasarana dan sarana dasar lingkungan permukiman (PSD-LP). ASPEK unpublished document.
- Archer, D. and Dodman, D., 2017. The urbanization of humanitarian crises.
- AlSayyad, N. 2004. “Urban Informality as a Way of Life.” In *Urban Informality: Transnational Perspectives from the Middle East, Latin America, and South Asia*, edited by A. Roy and N. AlSayyad, 7–30. Lanham, MD: Lexington Books.
- Bovaird, T. 2007. Beyond Engagement and Participation: User and Community Coproduction of Public Services, *Public Administration Review*, Vol. 67, Nr. 5, 846-860
- Bovaird, T., Loeffler, E., 2012. From Engagement to Co-production : The Contribution of Users and Communities to Outcomes and Public Value. <https://doi.org/10.1007/s11266-012-9309-6>
- Bracci, E., Fugini, M., Sicilia, M., 2016. *Co-production in the Public Sector: Meaning and Motiations, Co-production in the Public Sector: Experiences and Challenges*.
- Brandsen, T., & Honingh, M. 2018. Definitions of co-production and co- creation. In T. Brandsen, T. Steen, & B. Verschuere (Eds.), *Co-production and co-creation: Engaging citizens in public services* (pp. 9–17). New York and Abingdon: Routledge.
- Brandsen, T., Steen, T., Verschuere, B., 2018. *Co-production and co-creation: Engaging citizens in public services*. Taylor & Francis.
- Brownill, S., Carpenter, J., 2007. Dichotomies , rationalities and strategies for power 78, 401–428.
- Brownill, S., Parker, G., 2010. Why bother with good works? The relevance of public participation(s) in planning in a post-collaborative era. *Plan. Pract. Res.* 25, 275–282. <https://doi.org/10.1080/02697459.2010.503407>
- Cepiku, D., Marsilio, M., Sicilia, M., Vainieri, M., 2020. *The Co-production of Public Services Management and Evaluation*.
- Cities Alliance. About Slum Upgrading. Cities Alliance. <http://www.citiesalliance.org/ca/About-slum->

- upgrading (accessed February 5, 2021).
- Crane, M. 1994. Water, markets, market reform and the urban poor, *World Development* , 22(1), pp. 71-83.
- Crosby, C.C., Hart, P. and Torfing, J. 2017. Public value creation through collaborative innovation, *Public Management Review*, Vol. 19, Nr. 5, 655-669.
- Czischke, D., 2018. Collaborative housing and housing providers: towards an analytical framework of multi-stakeholder collaboration in housing co-production. *Int. J. Hous. Policy* 18, 55–81.
<https://doi.org/10.1080/19491247.2017.1331593>
- Davidoff, P., 1965. Advocacy and pluralism in planning. *Journal of the American Institute of planners*, 31(4), pp.331-338.
- Douglass, M., Ho, K.C. and Ooi, G.L. eds., 2007. *Globalization, the city and civil society in Pacific Asia: the social production of civic spaces*. Routledge.
- Davis, A., and K. Ruddle. 2012. “Massaging the Misery: Recent Approaches to Fisheries Governance and the Betrayal of Small-Scale Fisheries.” *Human Organization* 71 (3): 244–254.
- Dados, N. and Connell, R., 2012. The global south. *Contexts*, 11(1), pp.12-13.
- Directorate General of housing and human settlement. 2016. Circular Letter Number 40/SE/DC/2106 .2016. General Guideline of KOTAKU. Ministry of Public Works and Housing of Indonesia.
- Directorate general of housing and human settlement. 2002. Strategic planning of slum area improvement (2002–2012), Department of Public Works, Indonesia
- Evans, S., S. Hills, and J. Orme. 2012. “Doing More for Less? Developing Sustainable Systems of Social Care in the Context of Climate Change and Public Spending Cuts.” *British Journal of Social Work* 42 (4): 744–764. doi:10.1093/bjsw/bcr108.
- Eijk, C. Van, Steen, T., 2016. Why engage in co-production of public services ? Mixing theory and empirical evidence. *Int. Rev. Administrative Sci.* 82, 28–46.
<https://doi.org/10.1177/0020852314566007>
- Firman, T. 1997. Land Conversion and Urban Development in the Northern Region of West Java, Indonesia. *Urban Studies*, 34: 1027-1046.
- Flyvbjerg, B., 1998. *Rationality and Power: Democracy in Practice*. Univ. Chicago Press.
- Flyvbjerg, B., 2004. Phronetic planning research: Theoretical and methodological reflections. *Planning Theory and Practice*, 5(3), 283–306.
- Fuentes, N., 2019. ON URBAN INFORMALITY : A PYRAMID ON SLUM UPGRADING AND PLACEMAKING Acerca de la informalidad urbana : una pirámide sobre la mejora de asentamientos informales y la creación de lugares. *Comillas J. Int. Relations* 2–4.
<https://doi.org/10.14422/cir.i15.y2019.006>
- Fung, A. and Wright, E.O., 2003. *Deepening democracy: Institutional innovations in empowered participatory governance* (Vol. 4). Verso.

- Forester, J., 1982. Planning in the Face of Power. *Journal of the American Planning Association*, 48(1), pp.67-80.
- Foucault, M., 1980. *Power/knowledge: Selected interviews and other writings, 1972-1977*. Vintage.
- Gebauer, H., M. Johnson, and B. Enquist. 2010. "Value Co-Creation as a Determinant of Success in Public Transport Services: A Study of the Swiss Federal Railway Operator (SBB)." *Managing Service Quality* 20 (6): 511–530. doi:10.1108/09604521011092866.
- Habermas, J., Honneth, A. and Joas, H., 1991. *Communicative action* (Vol. 1, p. 202).
- Healey, P., 1992. A planner's day: knowledge and action in communicative practice. *Journal of the American Planning Association*, 58(1), pp.9-20.
- Healey, P., 1996. The communicative turn in planning theory and its implications for spatial strategy formation 23.
- Healey, P., 1997. *Collaborative planning: Shaping places in fragmented societies*. Macmillan International Higher Education.
- Healey, P., 1998. Collaborative planning in a stakeholder society. *The Town Planning Review*, pp.1-21.
- Herrle, P., Fokdal, J., 2011. Beyond the urban informality discourse: Negotiating power, legitimacy and resources. *Geogr. Z.* 99, 3–15.
- Herrle, P., Jachnow, A. and Ley, A. 2006. *The Metropolises of the South: Laboratory for Innovation? Towards Better Management with New Alliances*. Development and Peace Foundation (ed.), Policy Paper 25.
- Hartley, J. 2005. *Innovation in Governance and Public Services: Past and Present, Public Money and Management*, Vol. 25, Nr. 1, 27-34.
- Hoch, C. 1994. *What planners do: Power, politics, and persuasion*. Chicago: Planners Press.
- Hudalah, D. 2006. *Institution, Culture and Neo-Liberalism: Reshaping Planning System in the Transitional Indonesia*. Master Thesis, Rijks Universiteit of Groningen - Institute of Technology Bandung
- Innes, J., Gruber, J., Neuman, M., Thompson, R., Langenthal, J., Kirschenbaum, J., 2005. *COORDINATING G ROWTH AND* with cases contributed by.
- Innes, J.E., 1995. Planning Theory's Emerging Paradigm: Communicative Action and Interactive Practice. *J. Plan. Educ. Res.* 14, 183–189. <https://doi.org/10.1177/0739456X9501400307>
- Leone, R., C. Walker, L. C. Curry, and E. Agee. 2012. "Application of a Marketing Concept to Patient-Centred Care: Co-Producing Health with Heart Failure Patients." *Online Journal of Issues in Nursing* 17 (2). doi:10.3912/OJIN.Vol17No01PPT03.
- Law No. 1 on Housing and Settlement Areas (2011)
- Law No. 4 on Housing and Settlement (1992).
- Law No. 5 on Basic Agrarian Regulation (1960).
- Law No. 26 on Spatial Planning (2007).
- Law No. 39 on Human Rights (1999).

- Joshi, A., Moore, M., 2004. Institutionalised co-production: Unorthodox public service delivery in challenging environments. *J. Dev. Stud.* 40, 31–49.
<https://doi.org/10.1080/00220380410001673184>
- Loeffler, E., Bovaird, T., 2021. The Palgrave Handbook of Co-Production of Public Services and Outcomes, *The Palgrave Handbook of Co-Production of Public Services and Outcomes*.
<https://doi.org/10.1007/978-3-030-53705-0>
- Maiello, A., C. V. Viegas, M. Frey, J. L. Ribeiro, and J. L. Viegas. 2013. “Public Managers as Catalysts of Knowledge Co-Production? Investigating Knowledge Dynamics in Local Environmental Policy.” *Environmental Science and Policy* 27: 141–150. doi:10.1016/j.envsci.2012.12.007.
- Mardiasmo. 2009. *Akuntansi Sektor Publik. Edisi Pertama. Cetakan Pertama, Yogyakarta: Andi*
- McFarlane, C., 2012a. The Entrepreneurial Slum: Civil Society, Mobility and the Co-production of Urban Development. *Urban Stud.* 49, 2795–2816. <https://doi.org/10.1177/0042098012452460>
- McFarlane, C., 2012b. Rethinking Informality: Politics, Crisis, and the City. *Plan. Theory Pract.* 13, 89–108. <https://doi.org/10.1080/14649357.2012.649951>
- Meijer, A. 2012. “Co-Production in an Information Age: Individual and Community Engagement Supported by New Media.” *Voluntas* 23 (4): 1156–1172. doi:10.1007/s11266-012-9311-z.
- Milbert, I. 2006. Slums, Slum Dwellers, and Multilevel Governance. *The European Journal of Development Research* 18(2) : 299-318.
- Mitlin, D. 2008. With and beyond the state – coproduction as a route to political influence, power and transformation for grassroots organizations. *Environment and Urbanization*, 20, 339–360.
- Moore, M. and Hartley, J. (2008) Innovations in governance, *Public Management Review*, Vol. 10, Nr. 1, 3-20.
- Nabatchi, T., Sancino, A., & Sicilia, M. (2017). Varieties of participation in public services: The who, when and what of coproduction. *Public Administration Review*, 77(5), 766–776.
- Ostrom, E., 1996. Crossing the Great Divide : Synergy , and Development 24, 1073–1087.
- Pestoff, V., 2006. Citizens and co-production of welfare services. *Childcare in eight European countries*. *Public Manag. Rev.* 8, 503–519. <https://doi.org/10.1080/14719030601022882>
- Pestoff, V. 2009. Towards a Paradigm of Democratic Participation: Citizen Participation and Co-Production of Personal Social Services in Sweden, *Annals of Public and Cooperative Economics*, Vol. 80, No. 2, 197-224.
- Roberts, A., S. Townsend, J. Morris, E. Rushbrooke, B. Greenhill, R. Whitehead, T. Matthews, and L. Golding. 2013. “Treat Me Right, Treat Me Equal: Using National Policy and Legislation to Create Positive Changes in Local Health Services for People with Intellectual Disabilities.” *Journal of Applied Research in Intellectual Disabilities* 26 (1): 14–25. doi:10.1111/jar.12009.
- Robinson, J., & Roy, A. 2015. Global urbanisms and the nature of urban theory. *International Journal of Urban and Regional Research*, 40(1), 181–186.

- Rotmans, J. and Loorbach, D., 2009. Complexity and transition management. *Journal of industrial ecology*, 13(2), pp.184-196.
- Roy, A., 2009. Why India cannot plan its cities: Informality, insurgence and the idiom of urbanization. *Planning theory*, 8(1), pp.76-87.
- Roy, A., 2012. Urban Informality: The Production of Space and Practice of Planning. *Oxford Handb. Urban Plan.* 1–17. <https://doi.org/10.1093/oxfordhb/9780195374995.013.0033>
- Ryan, B., 2012. Co-production : Option or Obligation ? 71, 314–324. <https://doi.org/10.1111/j.1467-8500.2012.00780.x>
- Scharpf, F.W., 1997. Games real actors play: Actor-centered institutionalism. *Policy research*, pp.3-20.
- Scott, A.J., Storper, M., 2015. The nature of cities: The scope and limits of urban theory. *Int. J. Urban Reg. Res.* 39, 1–15. <https://doi.org/10.1111/1468-2427.12134>
- Sheng, K., Wandeler, K. De, 2010. Self-help housing in Bangkok Author ' s personal copy Self-help housing in Bangkok. <https://doi.org/10.1016/j.habitatint.2009.11.006>
- Simone, A., 2006. Pirate towns: Reworking social and symbolic infrastructures in Johannesburg and Douala. *Urban studies*, 43(2), pp.357-370.
- Sumarto, H.S. 2009. Inovasi, Partisipasi, dan Good Governance: 20 Prakarsa Inovatif dan Partisipatifdi Indonesia. Jakarta: Yayasan Obor Indonesia.
- Sundeen, R. 1988. "Explaining Participation in Co-Production – A Study of Volunteers." *Social Science Quarterly* 69 (3): 547–568.
- Talsma, L., and J. F. M. Molenbroek. 2012. "User-Centered Co-Tourism Development." *Work-A Journal of Prevention Assessment & Rehabilitation* 41: 2147–2154.
- Turner, J.F.C. and Fichter, R. 1972. *Freedom to Build*. New York: MacMillan Press.
- Voorberg, W.H., Bekkers, V.J.J.M., Tummers, L.G., 2014. A Systematic Review of Co- Creation and Co- Production : Embarking on the social innovation journey 37–41. <https://doi.org/10.1080/14719037.2014.930505>
- Watson, V., 2016. Shifting approaches to planning theory: Global North and South. *Urban Plan.* 1, 32–41. <https://doi.org/10.17645/up.v1i4.727>
- Watson, V., 2014. Co-production and collaboration in planning - The difference. *Plan. Theory Pract.* 15, 62–76. <https://doi.org/10.1080/14649357.2013.866266>
- Weinberger, K., and J. P. Jütting. 2001. "Women's Participation in Local Organizations: Conditions and Constraints." *World Development* 29 (8): 1391–1404. doi:10.1016/S0305-750X(01)00049-3.
- Werlin, H., 1999. The Slum Upgrading Myth. *Urban Stud.* 36, 1523–1534.
- Winarso, H., 2021. Slum - upgrading through physical or socio - economic improvement ? lessons from Bandung , Indonesia Executing Board for the Slum Improvement Program. *J. Hous. Built Environ.* <https://doi.org/10.1007/s10901-021-09859-4>

- Winarso, H., 1999. Inner-city redevelopment strategy: The role of agents in the development process: A lesson from Indonesia. *Int. Dev. Plan. Rev.* 21, 349–371.
<https://doi.org/10.3828/twpr.21.4.b7m0624j8435kn43>
- Winayanti, L., & Lang, H. C. 2004. “Provision of urban services in an informal settlement: a case study of Kampung Penas Tanggul, Jakarta”, *Habitat International*.28, 41–65.
- Wise, S., R. A. Paton, and T. Gegenhuber. 2012. “Value Co-Creation through Collective Intelligence in the Public Sector: A Review of US and European Initiatives.” *Vine* 42 (2): 251–276. doi:10.1108/03055721211227273.
- World Bank.1994. *Indonesia: Sustaining Development*. Washington, DC: World Bank.
- Yiftachel, O., 2009. Theoretical Notes On Gray Cities': the coming of urban apartheid?. *Planning theory*, 8(1), pp.88-100.
- Yiftachel, O., 2016. The Aleph—Jerusalem as critical learning. *City*, 20(3), pp.483-494

Appendices

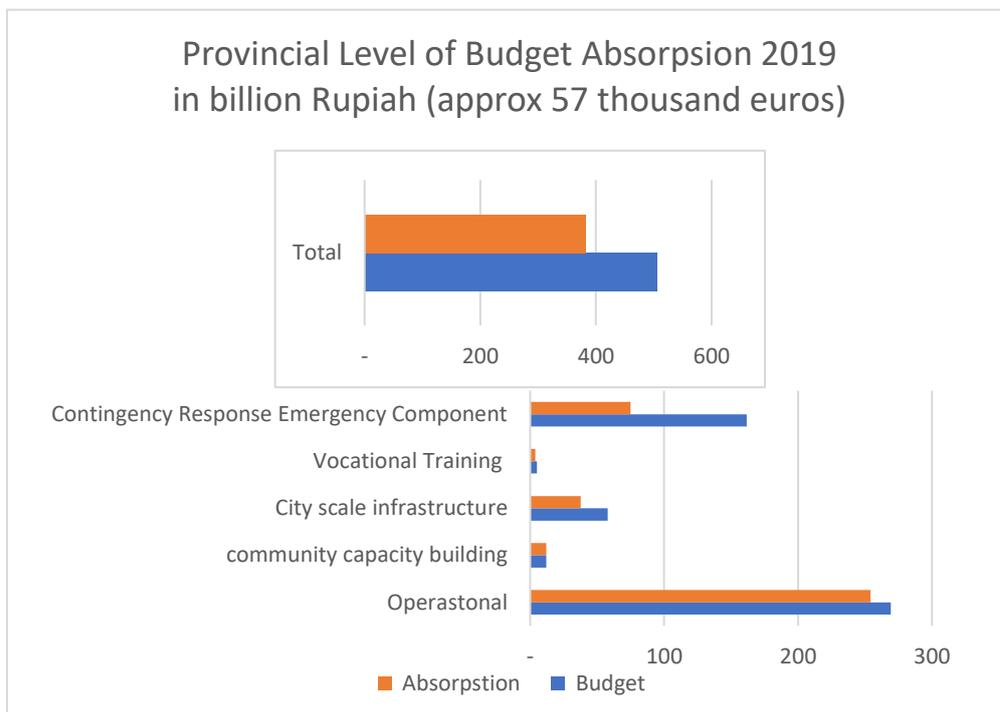
Appendix A

Evaluation of KOTAKU program year 2019-2010

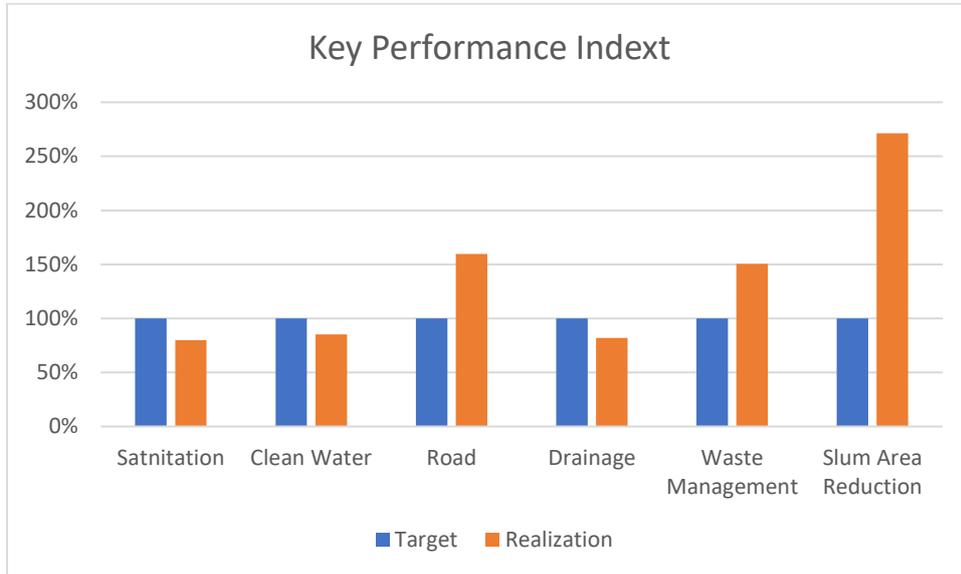
Source:

1. Official Document of Directorate General Housing Human Settlement 2020
2. Interview with Coordinator of Financial and Infrastructure Consultant (A, 01-06-2021)

Financial report



Key Performance Indicators



| Public Services | Target | Realization | |
|---------------------|-----------|-------------|---------|
| Sanitation | 360.000 | 287.787 | Person |
| Clean Water | 240.000 | 204.346 | Person |
| Road | 1.110.000 | 1.771.850 | Person |
| Drainage | 1.080.000 | 885.954 | Person |
| Waste Management | 450.000 | 677.464 | Person |
| Slum Area Reduction | 2.200 | 5.970 | hectare |

Appendix B

List of Interviewers

| No | Initial | Agency | Date of Interview |
|----|---------|--|-------------------|
| 1 | APG | Ministry of National Development Planning – Staff at Directorate of Housing and settlement | 01-04-2021 |
| 2 | ANS | Consultant Development - Sub Proff For Institution On City Level And Collaboration | 01-06-2021 |
| 3 | DJ | Community – Bandung | 31-05-2021 |
| 4 | MZA | Community – West Java Province | 08-06-2021 |
| 5 | SRI | Community – Bali Province | 08-06-2021 |
| 6 | SUY | Community – East Borneo Proveince | 08-06-2021 |
| 7 | RUD | Community – Central Java Province | 08-06-2021 |

Appendix C

List of Policy Documents

| | |
|---|---|
| 1 | KOTAKU general guidelines |
| 2 | Instructions for implementing KOTAKU at village level |
| 3 | Instructions for implementing KOTAKU at District level |
| 4 | Instructions for implementing KOTAKU at City level |
| 5 | Instructions for implementing KOTAKU at Province level |
| 6 | Evaluation of KOTAKU program implementation activities for the 2009 fiscal year |

Appendix D

Question list

1 General Information

- 1.1 General Information of KOTAKU
- 1.2 History of slum upgrading in Indonesia
- 1.3 The development of the process of community participation in slum upgrading

2 Factors that affect the co-production process

Government side

- 2.1 Compatibility of public organizations with community participation.
Question target: community channel for contributing to the KOTAKU program
Typical questions:
 - Are there forums, structures and procedures that facilitate the community to contribute to the KOTAKU program?
 - Are the forums, structures and procedures initiated by the government? To what extent is the role of the government at the central and regional levels in its provision??
 - Is there capacity building available for community and government actors regarding the establishment, implementation and evaluation of forums, structures or procedures?
- 2.2 Open attitude towards community participation
Question target: level of power sharing, negotiation and interaction
Typical questions:
 - the extent of government control over the methods or objectives of participation, or the management of community organizations?
- 2.3 A risk-averse administrative culture
Question target: the government's perception of the reliability of public participation
Typical questions:
 - the government's perception of the reliability of public participation?
 - What is the role of community advisors in the process of planning, implementing, monitoring and reporting activities that involve community participation
- 2.4 Clear incentive for co-production
Question Target: Policy-maker motivation for driving community participation
Typical questions:
 - Can the provision of public services be improved through community participation?
 - Will involving the community make costs more economical?
 - Will the results of infrastructure improvement be more sustainable with community involvement?

Citizen side

- 2.5 Characteristics of society
Question Target: the character of the community as a driver or obstacle to the participation process
Typical questions:
 - How important is local wisdom to be considered in slum upgrading?
 - Does the collaboration strategy take into account the character of the community?

Awareness/feeling of belonging/being a part of something

Question Target: how does a sense of collective ownership emerge

Typical questions

- How to encourage people to have a strong motivation to participate?
- What is the community's view of the infrastructure that has been built?
- What resources does the community bring into co-production?

2.6 Modal Sosial

Question Target: how much influence social capital has on the desire to participate

Typical questions:

- whether the spirit of gotong royong motivates the community to participate?
- how strong is the level of community trust in community organizations?