

# Kasiba Driyorejo, a Solution to Urban Development

## Large Scale Land Management of Urban Areas in Eastern Java

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### Introduction

Land is the necessities for human life and it is also one of the economic factors for production. Indonesia is a liberal country specifically in economic area, although the Indonesian government constitutional law no. 33 year 1945 said that **“The land, air and all the natural resources are under the government authority for the sake of public interests”**<sup>1</sup> but in practice, for economic development reasons the land became one of the free market objects as a consequences for this matter it attracted many investor both from overseas and domestic. The disadvantage of this situation is sometimes attracts speculators in this case, the land speculators. This situation in the future could cause the low-income people to not having the opportunity to buy the land as a based to construct a better house.



*Figure 1: The perspective of the Driyorejo Kasiba Projects*

In the beginning of the 1990s the idea of developing land banking management start to emerge. To solve this problem, the government of Indonesia in this case the Ministry of Infrastructure and Settlement came up with the “Kasiba” idea or in English “Pre Developed Areas”. This solution has been constitutionally declared with the government act No. 80 year 1998. The acts intend to manage the land better and to prevent it from speculators interference.

The Kasiba project is located in *Surabaya* city. The project called *Driyorejo Kasiba Project*. Surabaya as the second largest cities beside *Jakarta* is the main gate of central distribution for eastern Indonesia, which is developing into central trade, economic area, information, production and distribution. Surabaya is also has a large

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<sup>1</sup> *Kitab UUD '45*, The Constitutional Rights of Indonesia 1945.

seaport which handles the trade goods from all over the world. As the consequences, support of infrastructure, facilities, and public utilities are in need. The recent implementation of the new authority decentralization policy for every province in Indonesia means the bigger Region/county authority, causing the need for new regulation of lands law, facilities and infrastructure so the optimum regional development could be achieved.



Figure 2: Artist perspective of the future Central Business District in Driyorejo

The government as the regulator and facilitator for the main course and strategies, should oriented to people welfare. *Perum Perumnas* or National Urban Development Corporation as a state owned company along with the other state owned counterpart, from the beginning had covered the above issues by developing the New Area Policy the “Driyorejo New Town” in east java province. The main objects of this consortium are to help the region authority to provide lands. The management considering the land development policy which is constructed with holistic pattern and. The Kasiba project is a large -scale project it has minimum requirements for the dwellings only to 3.000 units. This project also intended to develop a new town with *central business district (CBD)* with good infrastructure facility.

## Problem Definition

Most of the people in Indonesia have the mentality to prefer living in the land based house or horizontal type house it is part of the cultural heritage. This tradition is based on paternalism culture that indicates the man, as head of the family must obtain a land as his family pride. From that context one can also made a conclusion that land is a necessities in Indonesian people that is why it has attracted the speculators to invested money in land to speculation motive. T his situation had been going from the beginning of Indonesian history until present.

With the recent urbanization phenomena the land speculator became more accumulated in amount especially in big cities in Indonesia like Jakarta and Surabaya. Many of the land speculators act as a real estate company, the problems that can occur from this situation began from incompetence to acquire the land with proper legal matter, incompetence to construct the house with proper technical standard, did not provide the people with adequate land for environmental purposes that could led to flooding and any other catastrophe. All of those matters caused the location of the houses spreading in further area in order to achieve cheap price for the land. This means the agricultural area for farming are becoming less than expected, the increase of the government investment in infrastructure and the fact that low income people had to moved out far from their works place. These problems are common to be found in under developed and developing countries.

The main focus of this project is how to manage the land in order to provide the low -income people with adequate land and infrastructure as the main target of the government for urban development. The idea of this paper is to overcome the shortcomings that occurred in the project and hoping with this course I can have some useful feedback to make the project successful.

## Motivation for the Choice of Study

My motivation for the choice of study is because the land management is the essential factor in providing a better settlement. In many under developed and developing countries the land availability is still a problem because the political situation is always change and that could directly impact to people's welfare. In the other way economic development are increasing so fast which attracted more people to migrate to the urban areas. The Kasiba's Project are the **main goal** to be achieved by the government specially the Ministry of Infrastructure and Settlements to provide the low income people with the affordable and adequate houses in urban areas. This has been the recent and great issue that both the government and people representative are debating now. As one of the project officer, it is my duty to make sure that everything is done to make this project successful. The project as the latest Indonesian government issues for urban development in Indonesia could be considered as an example for other developing countries, which have the same urban development problems.

## Method of Study

The methodology of this project is based on class study, library research, field research and my personal experience as the Assistant of Region Director for East Indonesia of National Urban Development Corporation.

## Background

### Indonesia in General

Indonesia is a large archipelago country with 17.000 islands, it can be said that it is the largest archipelago in the world with 26 provinces. The population are about 204 million people with GDP of USD 1.086; they spread out pattern of 60% living in Java and Bali islands and the 40% living in the rest part of Indonesia.

The topographic conditions of Indonesia are various from flat to hilly lands and with a lot of mountains. The housing condition in Indonesia is typically based on land based house culture. The spread out pattern of the total population are 40% in urban and 60% in rural area.

The original economic base of Indonesia is agricultural country but now the tendency is slowly moving towards to industrial country. Indonesia is a top producer of spices, coconut, palm oil, coffee, cocoa and natural rubber in the world.



Figure 3: The map of Java Island showing the location of Surabaya city

The political ideology is republic democracy with president as a leader and people assembly as counterpart. Governors head each of the 26 provinces. With the large amount of foreign capital being invested in Indonesia, many factories are built on almost all of the main cities of Indonesia. Within the past 20 years the urban growth is increasing so rapidly with the annual rate of 5% each year or 3,5 million people per year. The fast developing phenomenon does not mean the people are living in welfare situation; about 80% of them are low-income people. By the year 2020 total urban population is predicted about 155 million (60% of total population).

## Housing Condition in Indonesia

As an archipelago country, which divided into eight big regions as the central of activities, most of the Indonesian people are living in rural areas. Although the country is developed into industrial country but most of the people are working as farmers in rural areas. Housing condition for people in rural areas does not need special attention because they already had their land and a house. The only thing the government concern in this matter is to distribute economic equality, because the main centre of economic growth is in Java and Bali islands. The type of house in rural area is typically clay roofed and bamboo walled house. This type of house is self help type with the owner as the builder and usually he got help from neighbours in “*gotong-royong*” spirit (*gotong-royong* is the traditional way of Indonesian people to help each other in building a community). The material for this kind of house is very cheap because it came from native resources.



Figure 4: Common house in rural area of Indonesia with clay roof and bamboo wall.

The problem that usually occurs with people who living in urban area, because the condition of their houses usually in bad shape this means a bad sanitary, poor building materials, lack of infrastructure. Some of them are squatters with neither legal land nor house certificates. The government had came up with solution to overcome that problem by helping them in housing and relocated them into another place/land provided with infrastructure and starting capital money all of this work, which were done by the Agency of Transmigration and National Land Institution. Big city also had problem, there are many slum areas in big city like Jakarta and Surabaya caused by the dense populated area crowded by peoples.

## Government Policy and Programme

The main idea of the policy is house are people rights and responsibility, the government only play the role as facilitator and enabler stimulates the active role of the people and the private sector.

### The Strategy of Housing in Indonesia

The first government action in urban housing was in July 18<sup>th</sup>, 1974 with the government act no. 29. This act formed the National House and Urban Development Corporation (later become the National Urban Development Corporation) as the only government owned corporation, which take responsibility in building houses, and provides adequate settlements for low-income people in urban areas throughout the 26 provinces in Indonesia. The idea of this act is to provide the low-income people in urban areas with adequate and affordable houses.

This company began the urban developing in urban areas around Jakarta city and made some improvement in housing condition for low-income people. The government appointed the National Saving Bank as the national mortgage institution by the Ministry of Finance act no. 49 year 1974. The National Saving Bank institution provides low interest loans up to 90% (with very small amount of interest) from total price of the house and the low-income people must pay the rest 10% within 1 year. These low-income peoples must be selected with certain criteria before they can receive the loans. The National Saving Bank is not the only institution that provides the loans for housing, there are several private banks, which can provide it, but they not intended to help the low-income sector.

The government stops the grant for building the houses of low income people at beginning of 1980's and start from there the National Urban Development Corporation had to provide the work capital of their own but still got the assistance in priority and policy from the central government. This situation had led the company to another policy in order to gain the construction money. The strategy is to develop a cross-subsidy plan which is to provide the capital by constructing luxury houses for the high income people this strategy however, is backed up with the government policy of 1:3:6 pattern which means that if the company wants to build 1 luxury house it must build 3 simple house (for middle income) and 6 very simple house (for low income).

Simple Houses/Very Simple Houses (RS/RSS) at a ratio of 1:3:6, are prepared with housing credit facilities or in Indonesian language, we called it *Kredit Pemilikan Rumah (KPR)* at subsidized interests for house size of 21m<sup>2</sup> and 36 m<sup>2</sup>. The interest rate for RSS is 8.5%; RS type 21 is 11% and 36 RSS type is 14% all of this interest is below the market rate (year 2001).

The Government is giving priority to the infrastructure of Simple Houses/Very Simple Houses (RS/RSS) built by the National Housing Development Corporation (Perum Perumnas) and Cooperatives; and the housing regulation (Home Affairs Instruction No. 12 of 1996) on low-cost Building License (IMB) and other cost of RS/RSS. Law No. 4 of 1996 on the right of construction business and the housing sector in Indonesia to replace mortgages and credits, as a legal guarantee for the developer, bank and building owner, either as property freehold owner, land lease rights, building leasehold rights and leasehold rights on state land are tended to draw more interest in the housing development.

The leasehold rights of the house and land valid only for twenty years but this only applies the middle and high income house owner who have house / land over 200m<sup>2</sup>. Low-income people with land below 200m<sup>2</sup> have the right of the land permanently without the obligation to extend the lease.



Figure 5: Very simple house for low income people in Tasikmalaya, Western Java

## The Facts about Surabaya City

Surabaya as the second largest cities beside Jakarta with total area of 47.921 km<sup>2</sup> is the main gate of central distribution for eastern Indonesia, which developing into central trade, economic area, information, production and distribution. Total population of Surabaya according to 1997 national statistic figures is 34,6 million people with population density per square kilometer of 720. Gross domestic product

per year is about USD 8.024. The city also has many manufacturing industry that grew up all over the city. These industries along with its growth had taken so much land space that initially setup for people settlement.

As a precaution, the support of infrastructure, facilities, and public utilities are in need. The implementation of decentralization, authority and the bigger Region/county authority, causes the need for new regulation of lands law, facilities and infrastructure so the optimum development could be achieved. The government as the regulator and facilitator for the main course and strategies, should oriented to people welfare, specially the low-income people.

Perum Perumnas (National Urban Development Corporation) along with the state owned counterpart, from the beginning had covered the above issues by developing the New Area Policy the “Driyorejo New Town” in East Java province. The main objects of this consortium are to help the region authority to provide lands. The management is constructed with holistic pattern and considering the land development policy.

## The Kasiba Project

1. Kasiba Driyorejo located about 15 km near western Surabaya. The reason for choosing location this far from the main city is because in order to provide affordable settlement to the low -income people, the cheaper land price at the closest place is in Driyorejo.
2. Kasiba Driyorejo is the beginning of implementation of Bill / UU No.4 year 1992 about housing & settlements.
3. Kasiba’s main organization is formed on December 20<sup>th</sup>, 1994. Formed by: Perum Perumnas (National Urban Development Corporation) and Consortium of 5 state owned corporation under the Ministry of Settlements and Infrastructure.
4. The whole area of Kasiba Driyorejo is **1.200 ha**
5. Lands owned by Perum Perumnas = 203 ha
6. Area of freed native occupants land = 655 ha
7. Areas around Kasiba = 142 ha
8. Areas that influenced by kasiba = 200 ha
9. Kasiba Driyorejo stands from:
  - ❖ 9 Lisiba (pre-developed environment) @ 30 – 150 ha
  - ❖ 67 Sub Lisiba(sub pre-developed environment) @ 1 – 90 ha
10. The main target of this project is low -income people to be specific, the factory workers who work around Surabayacity. The type of houses that planned to be build are horizontal land-based houses and vertical house. The vertical house can be raised up to maximum five storey building. Regarding the present law the vertical house type can be obtain by rent system or buy with same scheme with the horizontal houses.

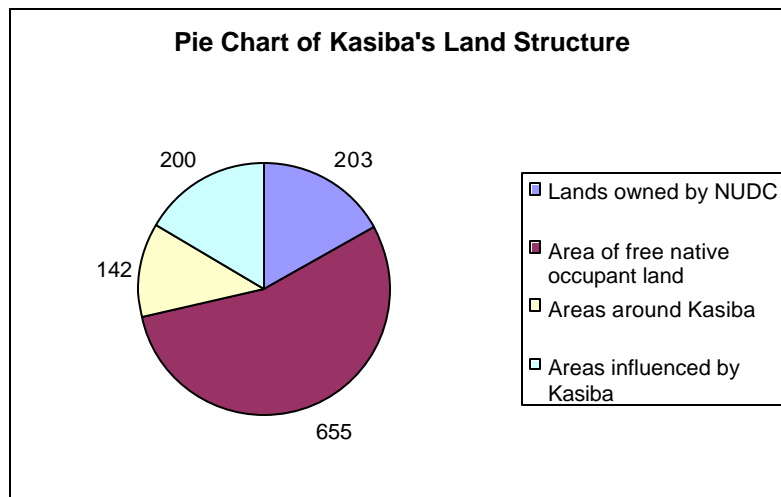


Figure 6: Pie chart of Kasiba's land structure

## Strategies

The government in this case the Ministry of Infrastructure and Settlements along with the common representative made constitutional law concerning the Kasiba's plan. The legitimating of the Kasiba's plan is indicated in Government Law no. 80 in the year 1998, it stated that large-scale land management are the only solution to overcome the rapid urban development and for that matter there should be an institution to build as the protector and enabling power for the land management.

## Current Strategy

To manage such large project the strategies that had been done are:

- 1 Determined which actors should play in this project:
  - ❖ Central government as the legal protector, facilitator and stimulator
  - ❖ Local government as the authority and supervisory institution
  - ❖ The private sector as the construction and developing partner
  - ❖ The Government Savings Bank as the funding facility for the people
- 2 The central government appointed the qualified institution as the central command in charge. This institution should be an institution with qualified man power, experienced in managing large projects, appropriate tools and good connection with related developing partners. For the Driyorejo Project the government had chosen the National Urban Development Corporation as the leader and made consortium with five other state owned company. All of them are operating in construction and housing.
- 3 Made site selection to select the location of the project. Because of the new government policy of decentralization, the central government has no more powers to control the local governments. All of the 26 provinces now have their own control of its municipalities. The site is to be appointed by the local government but the appointed institution should prepare the planning and project proposal.
- 4 The lands will be acquired from the previous landowner by giving them understanding of the importance of the project and in return the consortium will give adequate compensation in some amount of money. Note that nobody will be forced to evacuate.
- 5 The construction programme is to be made in partners with several qualified private company. The type of the houses planned to be constructed are vertical type or medium multi storey buildings and horizontal buildings or land based houses. The multi storey buildings are intended to the low-income factory workers whom the workplace is near the city centre. These five storey building are rent type. The horizontal house type aimed to low income, middle income and the high income with the 1:3:6 patterns. The plan is to build 10 multi-storey buildings with 1.200 units of dwellings along with 3.000 lands based houses. Beside the full-built house, the project also included the equipped land (the ready to use plot, complete with infrastructure) to the middle and high-income market share.
- 6 Made an appropriate funding system for such large scale project, which are came from the central government through several state owned corporation and the local government. The main idea was to make a consortium based funding system for the Driyorejo Kasiba project. This consortium is supported by five state owned corporation, all of them provided capital funding and technical assistance for the project.
- 7 This project is aimed to cover the low income people in this case, most of them are the factory workers around Surabaya area and because of that the government had to provide appropriate funding system which is came in form of 5 to 20 year credit payment for a owned based house or apartment. In this credit system the government cover about 90% of the price, the other 10% should be paid in 1-year instalments.

## The Shortcomings and Analysis of the Strategy

Large-scale land management is a new 'thing' for Indonesian government so it may take us long to implement it. This kind of project requires took a huge amount of money to invest and many competent and skilled people to operate. The first plan is

to develop a new area for human settlement this area is located in *Gresik, Surabaya*. This housing area is a horizontal type of house (land-based) and it was intended to low income and middle-income people. The plan also tends to sell an equipped land to middle and high income people with no credit facility (it has to be paid in several instalments during 2 year period).

The first problem to occur is that the target market is not fully achieved. There are about 60% of the house were empty because it cannot be sold (please note that we have not started building the vertical house type yet, due to our country economic downfalls). As the consequences of this matter is the cash flow to the project are disturbed and had some difficulties in maintaining the overhead cost, remember that in this project the government does not provide grant or funding. Because the house were empty and the maintenance cost for maintaining unsold house is very expensive, many of the house became neglected and damaged. The grass became wild and grew high, the wooden panel became rotten not to mention the stolen components because lack of the security officers.

This situation happened because of incompetent human resources including in management, especially in marketing department. They did not have the appropriate marketing strategy for the project. People as the target market did not have enough information about the project. Most of the current dwellers are from employees of the government office infect 60% of the project market share are intended to public sectors such as the low income factory workers, employees of private companies, etc. These people had no clue of the project's purpose and priority due to the lack of marketing scheme; there is not enough effort from the marketing staff in the field not to mention the unprofessional marketing strategy.

The second problem was the inadequate cooperation from the local government; the lack of cooperation from the local government and local agencies has given this project a step back in term of development. They had different interest in developing the area, as the formerly the longhand's of central government they wanted to be the leader of the project. This type of mentality is also common in under developed or developing countries.

## Proposed Strategy

There are several things that can be done regarding this matters. The appropriate marketing plan is an essential in this project in order to gain more money for capital turnover. In human resources there is some way that can be done. Based on current Indonesian economic situation, the corporation as government property cannot afford to hire new qualified employees for efficiency reason. The most feasible way is to set up some continuous training in marketing programme, so the employees can obtain the practical knowledge in marketing. By doing so the marketing strategy of the project must also be adjusted. After that the management should make an applicable marketing strategy. The proposed marketing strategies are:

- 1 First to learn the characteristic of the local people, this is important to formulating the right marketing package that suits the needs of the target market.
- 2 People had tendencies to prefer the land-based house, so the consortium should prioritised to build the land based type houses. These houses shall be provided for the high income, middle income and low -income people with 1:3:6 patterns.
- 3 For the factory workers who have the work location in the city, more multi storey buildings shall be built and according to the government law these types of buildings are rental type. The limitation of the storey is maximum five storeys. The reason is because this building has no elevator for cost saving matter.
- 4 The information about this project and what it is intended to should be transparent to the people. The plan is to set up a Marketing Information Centre (MIC) in each people's activity centre such as post office, shopping malls and other activity centre. This marketing information centre should play the role as project public relations. The MIC must be prepared with adequate marketing equipment such as leaflets, market/models, pictures, etc.
- 5 More information board and ballyhoos at the appropriate sizes (in marketing terms) must be place in public places.
- 6 More efforts on psychological approach to the people's land-based mentality transferred to multi-storey buildings tenants.



- 7 The six states owned corporations should make a joint operation with the private sectors in setting up the business centre and by doing that the other target market can be achieved.

## Actors

In order to develop this pilot project of large-scale land management, there are many actors involved in their particular manners. Each of them must work together in cooperative way because the success of this project is depending from that. The actors are:

### Central Government's Role

The central government acts as the main facilitator and enabler stimulates the active role of the people and the private sector. This means that the government do not responsible to construct all of the houses for the people by themselves but with the help from private sectors. The fact that low cost housing does not interest the private sector because of its low profitable business, forced the government to made special policy in low cost housing. In the case of providing the house for low income people the central government had to subsidies the construction cost of the house. The allocated budget for this sector is about 10% from the total annual national budget.

With the new government law about the decentralization, the central government has no longer power to control the local government. Now the central government only acts as a policy maker and the main facilitator, this means all of the infrastructure (water supply, electricity, road access, etc.) except the house construction are provided by the central government.

### Local Government's Role

The local government plays the role as administrator of the region development and must follow the central government housing policy in general means. The local government must also implicate the infrastructure application in the region. They also act as controller because every local government had its interior city planning that must be follow by each private sectors in housing business. In general the regional authority duties are:

- Manage the usefulness of the region/town space:
  - a. Develop the human settlements, trade places, industry areas, tourism, farm lands and other possible areas (land-use planning/zoning)
  - b. Transportation infrastructure system, telecommunication, energy and environment management
  - c. Centre of human settlements system (structure plan)
- Manage the preservation areas and subcultures areas:
  - a. Management of the human settlements (through Kasiba, Site & Services, village improvement, renewal)
  - b. Land consolidation, land readjustment, water supply and other natural resources
  - c. Developing activity system and developing priority
- To improve the manual of controlling the space of the region

With the new policy of authority decentralization, the local government now had freedom to develop it own region in most suitable approach way.

### State owned Corporation's Role

State owned corporation plays the important role as the executor of the government plan. The six state owned corporation which all of them in construction business is supposed to arrange an institution in efficiency reason for managing the project. The proposed institution was a consortium, which the National Urban Development Corporation (NUDC) acts as the lead administrator. The NUDC chosen because of its 26 years successful experience in providing housing and settlement and being the only state owned corporation that operates in housing for low-income people. All of the six-corporation capital united in one funding system for the project.

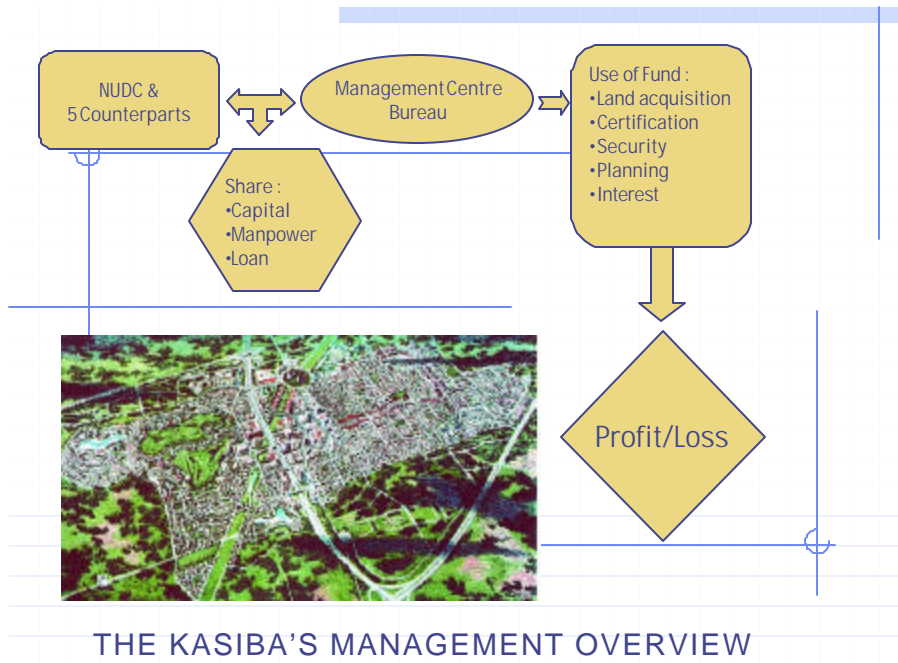


Figure 7: The diagram of KASIBA Works Plan

## Private Sector's Role

As the policy of the central government and inadequate resource the project also involving the private sector as counterpart or business partner that supposed to build the infrastructure in business, such as central business district (CBD), funds provider, etc.

## Shortcomings and Analysis of the Actors

There are problems with acquiring the land; this situation caused the site plan to have some *holes* in it. These holes are represented the land that cannot be acquired because the compensation had not reach the perfect agreement with the previous owner. There is also lack of cooperation between the actors that could cause these matters to occur.

This situation is getting worse because of the economic and political situation that happened in Indonesia from 1998 until present. The US dollars becoming high in rates and that caused the price of imported house material increased. This affected the private sectors, because many of them are operated with international loans and up until now the 6.000 private companies reduced to about 500 companies. The bankruptcy of the private companies means that the housing supply for the people is minimized. This also means that the task of providing houses for low-income people is all on the shoulder of NUDC.

## Proposed Strategy for the Actors

The lack of cooperation between government department and officials are common to find in under developed and developing countries. This type of behaviour is responsible for slowing down the development in these countries. In Kasiba's case the most influences actors are the six state owned corporation and the local government. The best way to deal with it is to develop a good relationship with the local government as the authority and facilitator of the projects. The new policy of authority decentralization has to be taking advantage of. With this policy the local government has more power to control it economic power and capacity. The project shall be introduce as a business proposal that can generated profit to the local government with the involvement of the private sectors and also the importance of the central business district as the new economics stimulator for the city.

According to the new law for autonomizing the authority of local government concerning the land development, the effective to manage it is by publishing 'municipal bond' with 20 years period. With this scheme the local government has the

obligation to repay it to central government in 20 years range and at the same time the central government has to put the budget in 'regional debt' account in the National State Budget. Further development shall be done towards the lands; the local government can develop the lands by plotting the areas and built basic infrastructure<sup>2</sup>. After the land equipped, the local government can sell it to the private sectors. Of course that shall be done in proper way according the Kasiba plan. The other purpose of this scheme proposal is to stabilize the land price at least for the next twenty years.

The state owned cooperation responsible for preparing the technicalities of the project including the necessary fund and the local government responsible for backing up the project with adequate infrastructure. The 'Win-win' solution should be the one to achieve, because if every actors had their needs fulfil then all of the obstacles can be overlooked. The land acquisition problem can be overlooked with the help of the local government who acts as the mediator between the corporation and the present owner of the land.

## Design Principles

### Climate Behaviour

Indonesia is a tropical country with two kinds of seasons throughout the year. The first season is the wet season that usually starts from September to March and the Dry season from June to August. The climate about 22 to 35 degrees in the wet and dry season. Wet season sometimes can be a disaster if the rate of the rain is too high, there's flooding everywhere even the rural areas not to mention the metropolitan cities where the density of the blocks are so high and the drainage systems are disturbed with uncontrolled garbage.

Surabaya is located in the eastern part of the java island; this location is notorious with the very hot climate in Indonesia. The temperature in this region is extremely hot with the temperatures varied between 30 to 37 Celsius degrees. The main city is located near the harbour, so the temperature is hotter in the metropolitan areas.

### Design Types

#### Land Based House

The land based house are very popular in Indonesia and most of the Asian countries because of the cultural heritage to have land as the most important things to achieve in the family. With the rapid urban developing the land price is become higher and higher, our projects to develop the horizontal houses are commonly located in sub-urban areas. As for the design is not much to discuss much about because in this project my corporation intention was to concern in the low -income people and in this situation the low-income people, as the main target has no part in the design process.

The design of the house basically is the implementation of the tropical design with much ventilation above the doors and windows. The material that we're currently using is concrete hollow bricks (CHB) for the side panels, tempered clay as the tile roof for middle-income house and asbestos roof for the low -income house. For the flooring we used the concrete cement for the low-income house and ceramics tile for the middle and high -income house.

The design of the house itself is basically a common rowblocks type for the low income, for the middle and high income we used the Mediterranean design type in couple plotting system. Some of the design is adapted the exclusive native culture house design. This is only can be done in specific area in Indonesia which has special and exclusive culture, like Bali for instance.

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<sup>2</sup> Simanungkalit, Panangian *Kasiba, The Implementation*. Kastil Publishing, Indonesia.



Figure 8: The middle-income house type 21/72 with clay tile roof in Driyorejo, Surabaya



Figure 9: Sample of native cultured based house for middle and high-income people in Bali.

The basic lay out for the low-income house is commonly called the *very simple house*, basically it is a *core house* with *asbestos roof* and *CHB wall* with separate water closet out side of the house. The materials was chosen because of it is cheap and can be found everywhere in Indonesia. The size of this house is about  $21m^2$  in building size and  $72m^2$  in plot size The final price of the house is Rp. 6,9 million or if converted to US Dollar with the latest currency rate (May 2001) is about USD 690 including the complete infrastructure.

Basic infrastructure included the 400w electricity, regional water supply piping for each house and accessible roads for cars inside the complex. The municipal provides public transportation for the area. The roads inside the very simple housing area is about 1,5 m wide made from concrete slab (it is meant to be a path way), there are parking areas for the vehicle and the main road inside the complex is 6 m wide for public transportation purpose. For the middle and high-income house the roads are wider because the plot was designed for car park for every house.

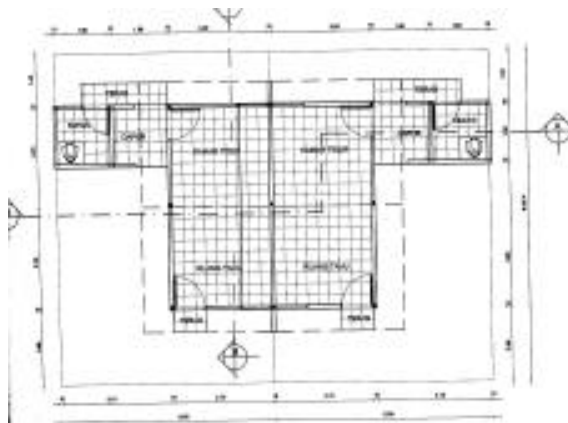


Figure 10: Very Simple House lay-out with building area of  $21 m^2$  and the plot size is  $54 m^2$

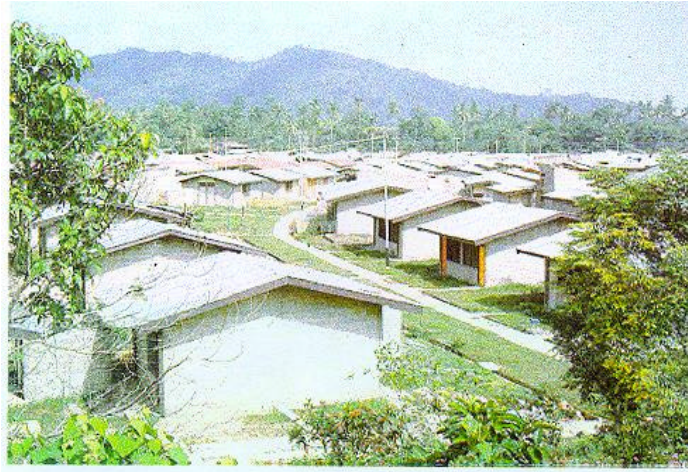


Figure 11: Housing complex for the low-income people with asbestos roof and CHB walls

### Multi Storey Building

In the urban areas where land is treated like a gold, it so expensive and so hard to find there are no option than to build multi storey building for the low -income people. These buildings have a maximum floor of five storeys and for cost reason it has no elevator in it. Basically the plan for each dwelling is 21 to 54 m<sup>2</sup>.

In Driyorejo project the plan was to build 10 multi storey buildings. The type of the buildings is simple blocks with the ground floor arranged to function as shops and other social activities centre. The natural gas is used for cooking the gas arrangement was conducted through pipes inside the buildings.

The balcony is designed for gardening purpose, so each dweller can do their green activity. Playfield for the children and other social facilities are included in this project. Other successful multi storey building projects had been done in Jakarta and West Java provinces. These buildings are going to be modelled for the Driyorejo Kasiba Project.



Figure 12: Multi-storey building for low income people, location: Cengkareng, Jakarta

## Conclusion

With the rapid urbanization phenomena throughout Indonesia where lands around the urban area became very rare and expensive, the low income people whose work place is in the centre or around the metropolitan area has no option than to move far away from the city. In some case the middle income prefer to rent houses. In general the settlement for low-income people in the metropolitan areas is not in the adequate condition. So what to do? The central government had not issued such a program to do something about it, they concentrating more on the housing sector not in the land management.

The idea of self –help housing is out of the question at least for now, because the central government has not enough human resources to assists to such program. People tend to be consumptive type they just want to receive a package of house and use it. Self-help house can be another solution if we can introduce it right and use the step-by-step approach.

The government act no. 80 year 1998 of Kasiba Plan is the right move to do something about this. The land became manageable and easiest to control. It also can act as a tool for controlling the land price. But on the other side the plan of Kasiba is much too big in perspective and not close to the ground in the reality. The plan has so many interference from the central government with political purpose; it makes the project not professionally manage which could lead the project to no end.

## Recommendations

I already put up my proposal for the possible strategies in the Strategy topic above, but there are some thoughts that I want to share regarding this matter. The land management idea is the best way to dealt with land in coordination but at the same time the central government interfere makes the project moving nowhere. To involve more the private sectors in the project could done the project a better manageable institution. By encourage them to participate more in this project means that investment in social and trade infrastructure are more easy to achieve, it can fastened the economic growth in the area and surely can attract people to find their works here. The central business district that was one of the things the project aims is the key to make this project success.

Finally, the best way to deal with this situation is to make a ‘win-win’ solution to every actor that involved in this project. Win-win solution is a management term for a way to solve a deadlock in agreement by accommodate every person interest to acceptable way with maximum tolerance to the main goal. With this solution one could absorb and accommodates all of the individual interest of the actors better and the central government should put their role in the appropriate way.

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