

## EFFECTIVENESS OF IMPLEMENTING SUBSIDIZED HOUSING POLICY (KPR) FOR LOW INCOME COMMUNITIES

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### ABSTRACT

*Dealing with various housing problems for low-income people, the government issued a subsidized housing policy regulated in Law no. 1 of 2011 in Residential Areas. The implementation of this policy focuses more on housing development for Low Income Communities (MBR) which aims to provide affordable housing in the sense of a healthy, safe, harmonious, orderly, planned, integrated and sustainable environment. This research aims to determine the implementation and effectiveness of subsidized housing (KPR) policies for low-income people. This type of research is normative juridical research with data sources from primary, secondary and tertiary legal materials. Using literature study as a collection technique. The results of this research explain that the success or failure of implementing the subsidized housing policy is determined by the synergy between local government, entrepreneurs, banks and the target group (community). Supervision related to policy implementation in general is more focused on preventive efforts through the initial process of providing benefits and administrative requirements that must be fulfilled by the target group (community).*

**Keywords:** Effectiveness, Implementation, KPR, MBR, Development

### INTRODUCTION

Home is one of the most important needs in human life, just like food and clothing. Therefore, a house is one of the primary human needs that must be fulfilled. Apart from being a protector from all weather and natural disturbances and other living creatures, the house also functions as a center for family education, a center for cultivating culture and improving the quality of a nation's young generation. Fulfilling housing needs is increasingly difficult to meet, in line with rapid population growth (Dora Kusumastuti, 2015). This increase is not relevant to the availability of land for residence, resulting in higher land or house prices. This will create obstacles for people with low incomes (MBR) in realizing their dream of buying a house. In the end, many people's low income (MBR) is not enough to meet their needs in terms of housing (Uly Farhah H D and Indra Kesuma Hadi, 2020). Such conditions require them to live in inappropriate houses, especially those concentrated in urban areas.

Population growth which is concentrated in urban areas is prone to giving rise to slum areas both along railway tracks and river banks. Slum areas are synonymous with an unhealthy environment, resulting in less than optimal generation growth. Therefore, the government is responsible for providing adequate housing and a healthy environment in accordance with the guarantees in Article 28 H Paragraph (1) of the 1945 Constitution which states that, "Everyone has the right to live in physical and spiritual prosperity, to have a place to live, and to receive a good and healthy living environment and the right to receive health services." In accordance with the mandate of the 1945 Constitution, the state is obliged to fulfill these rights, including the right to obtain a place to live.

One of the government's efforts to fulfill the need for adequate housing is that the state regulates policies regarding housing and residential areas. From this policy, it is necessary to provide housing provided by both the government and the private sector. The housing is classified according to the type of house taking into account the level of affordability of the Indonesian people's purchasing power, this is explained in Law Number 1 of 2011 concerning Housing and Settlement Areas. Apart from that, government efforts are also needed to deal with housing problems amidst various obstacles such as limited housing land by providing housing subsidies by the government through the subsidized housing program.

According to the PUPR ministry (2016), the government's actions to improve the welfare of the people, by providing subsidies in the form of housing for low-income people, are regulated in accordance with the Regulation of the Minister of Public Works and Public Housing. Providing houses for low-income people ensures that low-income people really have the ability to own a house. For very low income people, the opportunity factor is important, while the identity factor has not been considered because the most important thing is to get a job in order to get security at a later stage (B. Panudju, 1999). The law gives the government the task of continuing to strive to increase housing construction for Low-Income Communities (MBR), so that they can have a decent place to live in a healthy, safe, harmonious and sustainable housing environment.

The aim of government policy is to build subsidized housing, to help economically weak communities in meeting their housing needs. Through Law no. 1 of 2011 concerning Housing in Residential Areas, and in particular the construction of housing for Low Income Communities with the issuance of PP Number 64 of 2016, concerning Housing Development for Low Income Communities. According Osumanu etc (2016), The housing problem must be handled with a number of problems that follow it, the problem of poverty, namely public housing, will present new problems, such as: 1) the level of urbanization in cities, having environmental impacts, such as sanitation, the creation of new slum areas, potential conflicts, conversion of fertile land, crises clean water and various other issues, such as the results of this finding "the provision of adequate portable water, sanitation and waste management service". The policy for the one million house construction program launched by the government through the Ministry of Public Works and Public Housing (PUPR) is in collaboration with housing developers (developers), financial institutions (banks). The housing development being developed is type 36 houses intended for target groups of people with fixed or irregular incomes who have low incomes (D. D. siswanti, 2013).

To be able to achieve goals in line with expectations, policy implementation must be monitored. This supervision can be carried out through the government itself (internal control) and can also be carried out through external control, namely through third parties, such as auditors, consultants and the public, both through the media and non-governmental organizations. According

to Law no. 1 of 2011 concerning Housing and Residential Areas, especially article 3, has the objectives of: 1) providing legal certainty; 2) support regional planning and development as well as proportional population distribution; 3) increasing the usability and results of natural resources, paying attention to the preservation of environmental functions; 4) empowering stakeholders in the housing and settlement sector; 5) supporting economic and cultural development; and 6) guarantee the realization of livable, affordable housing in a healthy, safe, harmonious, orderly, planned, integrated and sustainable environment.

Apart from the various problems above, a number of detailed problems are presented by this subsidized housing procurement policy, including: (1) The first problem is that developers provide their own land, this causes land to be purchased sporadically, so that the location of FLPP (Financing Liquidity Facility) houses Housing), often located far from city centers or market concentrations of people in need; (2) The second issue is community affordability; (3) The problem of licensing is still a serious obstacle to the One Million Houses Program. According to the PUPR ministry (2016), the government's role and program mechanisms in providing housing for the community are regulated based on Ministerial Regulations including providing ease of licensing, providing facilities, facilities and utilities (PSU), initiating or providing Land Banking, determining zoning for prosperous homes, determining zoning for prosperous homes and financing mechanisms.

One of the special things regulated in Law no. 1 of 2011 concerning Housing and Settlement Areas is the state's support for low-income communities. The government and/or regional governments are obliged to meet the housing needs of low-income people by making it easier to build and acquire houses through a gradual and sustainable housing development planning program. Ease of building and acquiring houses for low-income people, by providing convenience in the form of financing, construction of infrastructure, facilities and public utilities, reduced licensing fees, stimulant assistance and fiscal incentives. This research is to determine the implementation of the subsidized housing policy in Indonesia, and to determine the level of effectiveness of the subsidized housing program for low-income people (MBR), which is formulated in the problem statement of how to implement the subsidized housing policy and the effectiveness of the subsidized housing program for low-income people (MBR).

This type of research is normative juridical research, namely legal research that analyzes law in terms of norms or *das sollen*. The data source uses secondary data sources. Secondary data consists of primary legal materials, secondary legal materials and tertiary legal materials in the form of the 1945 Constitution, Law Number 1 of 2011 concerning Housing and Settlement Areas, Regulation of the Minister of Public Works and Public Housing No. 21/PRT/M/2016 concerning convenience and/or assistance in obtaining housing for the community. The data collection technique uses literature study and the data analysis technique uses deduction logic, namely drawing conclusions from major premises to minor premises.

## **EFFECTIVENESS OF IMPLEMENTING SUBSIDIZED HOUSING POLICY (KPR) FOR LOW INCOME COMMUNITIES**

### **A. Implementation of the Subsidized Housing Policy**

The implementation of public policy is greatly influenced by the ability and performance of policy implementers, and various factors that influence the implementation of these policies. According to Edwards III (1980), if the decision maker hopes that the implementation of the policy will be in accordance with what he wants, then the policy must provide accurate information, thus providing information from a policy must be accurate and consistent, which is supported by provisions. to be sure, technical instructions, and also sometimes it must involve a clear budget. In this way, implementers do not exercise much discretion which can obscure policy objectives and cause problems on the implementation side, both with social, economic impacts on community groups and legal impacts on implementers (Edward III, George, 1980).

In detail, it can be explained that the important factors in policy implementation are:

1. Resources include the right number of staff supported by the necessary expertise;
2. relevant and adequate information about how to implement the policy and foster and maintain the level of compliance of other people involved in implementation;
3. authority to ensure that policies are carried out as intended; And
4. facilities (including buildings, equipment, land and supplies) or services to be provided, where the policy is implemented (Edward III, 1980: 11).

In an effort to improve people's welfare, the government launched a Subsidized Housing policy, based on Law no. 1 of 2011 concerning Housing and Settlement Areas, which primarily targets disadvantaged community groups, namely people with low incomes. In general, the implementation of this policy has been carried out in accordance with the provisions of the applicable national policy, however, in its implementation in the regions there are still many obstacles, this is mostly due to the lack of adequate resources, regional authority and competence in terms of managing MBR is unclear, supporting facilities and infrastructure insufficient, and mastery of information about the policy is not yet fully understood by the implementers. So, if you pay attention to several factors stated above by Edward III, the implementation stages of this policy still need to be perfected. Low Income Communities, hereinafter abbreviated as MBR, are people who have limited purchasing power, so they need to receive government support to obtain a house (general provisions of article 1 of Law No. 11 of 2011, point 24).

The implementation of the subsidized housing policy for low-income communities has not been supported by adequate regional regulations, there have been changes to implementing regulations from the center, which can affect the smooth process of implementing the policy. In policy implementation research, researchers review several aspects, including:

1. policy implementation process,
2. actors involved, and
3. factors that influence the implementation of the policy.

We need to be wary of the condition of the poor because it can have an impact and threat on sustainable development.

Uncontrolled and poorly supervised development can result in regional or environmental damage and have a negative impact on future generations (Brata, 2014). Apart from that, development is also carried out in order to improve the quality of human resources in poor communities, meaning that it is not only related to problems faced today, such as housing, but concerns education and public health. Quality according to Rewansyah (2011) is related to the quality of human resources in terms of education and health; quality of public services; and the quality of sensitivity to the environment. Therefore, the development process aimed at poor people needs to be supervised by all parties, including the government, private sector, NGOs and the community as the target group.

That in the field of supervision, regarding subsidized housing, it has not met the expectations of all parties. Several monitoring steps are carried out using the following techniques:

1. More emphasis is placed on preventive supervision in the initial process of making a principle permit, through the District One Stop Capital and Licensing Service.
2. Preventive and curative measures are carried out by banks, but they still emphasize investment safety, not yet consumer protection and conformity with the objectives of the MBR housing policy, which is pro-poor.
3. Supervision involving government elements at the lower level as a manifestation of regional government policy discretion, but this supervision places more emphasis on the interests of the institutions concerned.

Also, supervision cannot be implemented effectively, which can have an impact on:

1. convenience for consumers where the implementation of policies that are not in accordance with regulations or agreements can cause concerns for consumers and give rise to conflicts and disputes with entrepreneurs;
2. environmental safety and policies regarding district RT/RW, efforts to facilitate central policy, by facilitating principle permits in the future could violate environmental regulations, violate RT/RW regulations, which could have long-term impacts on regional allocation and environmental safety; And
3. This also includes the sustainability of the house development business in question, which can significantly lead to losses and even bankruptcy.
4. Unclear implementation of regulations can create a feeling of frustration for developers, a pushover mentality, indifference to the environment, not caring about consumers, not caring about the human resources employed or not implementing labor regulations, which in the end can affect the sustainability of the developers' business.

If examined from the perspective of the theory put forward by Edward III and I Sharkanshy (1980), the implementation of the subsidized housing policy for MBR can be presented as follows. First, in terms of commitment, the central government has tried to realize housing development for MBR on a large scale, both in preparing the budget and a number of national regulations. However, in terms of communication, the lines of coordination and formation of commitment in the regions have not been implemented optimally, this is because: 1) there is no clarity on the budget that can be used by the regions to support the program, 2) the regional government also has similar activities to help with housing For poor people who do not have an adequate budget, there will be overlapping programs and responsibilities that need to be funded, so the local government will choose to save its own program.

Second, related to resources, regional governments have limited human resources, budget and infrastructure. There are changes in the structure and organization of regional government, as a result of which most service systems, activities and human resources experience changes, including the duties and functions of OPD, affecting the performance of OPD, and the readiness of OPD human resources to carry out assistance tasks, as well as related to autonomy and decentralization in the financial sector. This makes human resources working in the regions have to be extra careful, and can have legal impacts if errors occur in understanding and implementing the law. In addition, "decentralization which is followed by the expansion of regional autonomy, sometimes does not fully mean that the region has full authority over development and resource management in the region" (Sandiasa & Agustana, 2018: 2)

Third, discretion in implementing central policies related to facilitating subsidized housing for MBR, local governments do not have or are committed to making regional regulations related to the implementation of subsidized housing policies, especially housing for MBR. Some of its implementation can be categorized as intersecting with the RTRW Regional Regulation, in the future it will have a significant impact on regional allocation in the Regency. The emphasis on supervision involving many parties such as the Village Service, Pakraman Village and Subak is not effective, it is more supportive of developers and their own institutions, less attention is paid to environmental impacts, both social, cultural and natural, which can present new aspects of problems in the future, such as competition for resources. water, conflicts between immigrants and native residents, including environmental damage or reduced green open space (RTH).

Fourth, related to SOPs (standard operational procedures) and follow-up, control facilities and tools as evaluation material for the implementation of policies for each OPD involved, their involvement is not clear, they have SOPs that are generally intended for every application for a principle permit, they should be for Subsidized housing for MBR is regulated separately, which can provide relief for consumers and developers with the aim of expediting the implementation of housing construction for underprivileged residents, for example in the application of land sale and purchase tax, applied in accordance with general provisions. Follow up on principle permits that have been issued and reports on consumer communities who feel disadvantaged are not effective. Routine supervision is not carried out consistently by the OPD concerned, it is effectively carried out only before a permit is issued, and developers have never been issued a warning for not reporting their activities. The implementation of such procedures can have an impact on the behavior of developers, whose tendency is to violate them in order to reduce investment costs and obtain greater profits.

## **B. Effectiveness of subsidized housing programs for low-income people (MBR)**

The effective implementation of the subsidized housing program for low-income people (MBR) can be linked to the theory of the workings of law in society based on the concept put forward by Robert B. Seidman and William J Chambliss, who developed a theory of the workings of law in society. The successful implementation of a statutory regulation depends on many factors. In general, the operation of law in society will be determined by several main factors. According to Gunarto (2011), these factors include all components of the legal system, namely substantial factors, structural factors and cultural factors.

The Theory of the Working of Law by Robert B. Seidman and William J Chambliss is influenced by social forces, law-making institutions and law-implementing institutions. Therefore, the operation of the law cannot be monopolized by the law. This theory is used to analyze the first problem, because this theory is related to law-making institutions, law enforcers, as well as social forces, including political culture, society and dynasty. These social forces then cause the law to experience dynamics (William etc, 1971).

The operation of law in society can be seen from two sides, namely the dogmatic side and the sociological side. From the dogmatic side, where the operation of law is connected with issues of legal application, legal interpretation, legal construction and so on. From a sociological perspective, the operation of law can be seen from the role of humans as intermediaries in entering a society. Humans as actors who carry the law in society result in the law being influenced by the subjectivity of humans themselves. Law is no longer seen as something autonomous and objective, but rather something subjective and heterogeneous.

According to Chamblis and Seidman's theory, the operation of law in society is influenced by various factors. These factors include society itself. The community as role holders is expected to be able to act in accordance with existing regulations, which have provided guidance to them. Meanwhile, institutions that make rules and implement sanctions act more as controllers and at the same time respond to these functions and rules.

Discussing the implementation of the subsidized housing development program is motivated by two reasons, the first is the low purchasing power of MBR to own subsidized housing through Home Ownership Credit (KPR). Second, there is a lack of conducive regulations related to land and licensing which burden the implementation of housing development, especially for MBR. Licensing issues are one of the crucial obstacles that influence the implementation of the subsidized housing development program for MBR in addition to issues of land provision, financing, provision of infrastructure and facilities as well as housing institutions. Based on calculations by the Coordinating Ministry for the Economy, completion of housing construction permits takes 753 to 916 days at a cost of 3.5 billion rupiah for housing in an area of 5 hectares.

In accordance with its authority, the Ministry of Public Works and Public Housing sets a target for completing the IMB within 3 (three) days for simple 1-story buildings and no later than 30 (thirty) days for non-simple buildings for public use and special buildings with high more than 8 floors. Apart from that, the 13th economic policy package has been issued which simplifies the licensing process from 33 licensing stages to 11 licensing stages, and speeds up the process from 769-981 days to 44 days, as well as reducing licensing costs by 70%.

The implementation of licensing deregulation has not been effective in various regions. Completion of permits still takes between 12 and 60 days for a regular IMB provided all technical requirements are complete. The number of days for other permits outside of the IMB such as location permits, approval of master plan drawings, flood barriers, andalalin, Land Use Permits (IPT), site plans and measurements of land parcels takes an average of 30-60 days. As a result of ineffective licensing, licensing costs are still expensive (10-20%) of the total housing construction costs. This happens because the Regional Government is burdened with responsibility for implementing statutory regulations (spatial planning, land, environment) and licensing is still a source of original regional income.

Regarding IMB licensing, the Ministerial Regulation has not been fully implemented as a guideline for implementing IMB licensing in the regions. This is proven by the existence of administrative and technical requirements that are different from the provisions in the ministerial regulation. In practice, the administrative requirements required in the regions are more numerous and complicated, such as requiring a photocopy of the tax notice owed and a deposit receipt or proof of the last year's PBB payment and a recommendation from the bank for the land that is being used. In terms of procedures, there are more stages carried out because it requires multi-level examination of administrative and technical documents as well as field visits to provide technical recommendations for housing development. The number of licensing management units with authority in the IMB issuance process is greater, including sub-district, sub-district, PTSP, Spatial/City/Building Planning Services, BPN and banks (if necessary). Apart from that, there is no difference in licensing treatment in terms of requirements, procedures, time and costs between IMB for commercial housing construction and housing for MBR. Under these conditions, many housing developers are less interested in building special MBR housing.

The process of granting permits from the government to housing developers goes through several stages. First, the developer submits a proposal to the city/district government, which will then be forwarded to the provincial government. After the proposal is accepted by the provincial government as a result of recommendations which are then submitted to the city/district government and then used as a basis for the city/district government to issue location permits, only after that does the developer begin the process of acquiring land from residents. After land acquisition is complete, the developer can apply for Building Use Rights (HGB)

This subsidized housing development is also equipped with infrastructure, facilities and public utilities (PSU). According to T. Adimagistra and B. Pigawati (2016), simple housing usually has minimal facilities and infrastructure. Completeness of infrastructure (availability of electricity and clean water) is one of the factors that is very determining for housing residents in choosing a housing location (F. Asteriani, 2011). PSU in the subsidized housing development program for MBR is part of the regional or city government's duties. According to the PUPR ministry (2015), providing PSU assistance is prioritized for small-scale development actors. The PSU assistance components include roads, waste processing sites using the 3R principle (Reduce, Reuse, Recycle), and a network of drinking water supply systems.

The government's role in providing PSU is that there are stages that the developer must go through, including submitting a written application to the Ministry with a copy to the Regency/City Regional Government and Provincial Government. Then the Ministry verifies and determines PSU assistance to housing developers in accordance with the provisions stipulated in the Ministerial Regulation. After being verified by the Ministry, the pre-construction verification results will be released which include

checking administrative and technical requirements as well as site inspection. After pre-construction verification is carried out and the verification has been received, the Central Government and Regional Governments, in accordance with their duties and authority, carry out supervision and control of the implementation of the physical construction of the PSU. Supervision and control are carried out in stages starting from the district/city level, provincial level up to the Ministry.

## CONCLUSION

In general, the implementation of this policy has been carried out in accordance with the provisions of the applicable national policy, however, in its implementation in the regions there are still many obstacles, this is mostly due to the lack of adequate resources, regional authority and competence in terms of managing MBR is unclear, supporting facilities and infrastructure insufficient, and mastery of information about the policy is not yet fully understood by the implementers.

To be able to achieve goals in line with expectations, policy implementation must be monitored. This supervision can be carried out through the government itself (internal control) and can also be carried out through external control, namely through third parties, such as auditors, consultants and the public, both through the media and non-governmental organizations. So, if you pay attention to several factors, the implementation stages of the policy still need to be perfected. Low Income Communities, hereinafter abbreviated as MBR, are people who have limited purchasing power, so they need government support to obtain a house (general provisions of article 1 of Law No. 11 of 2011, point 24).

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