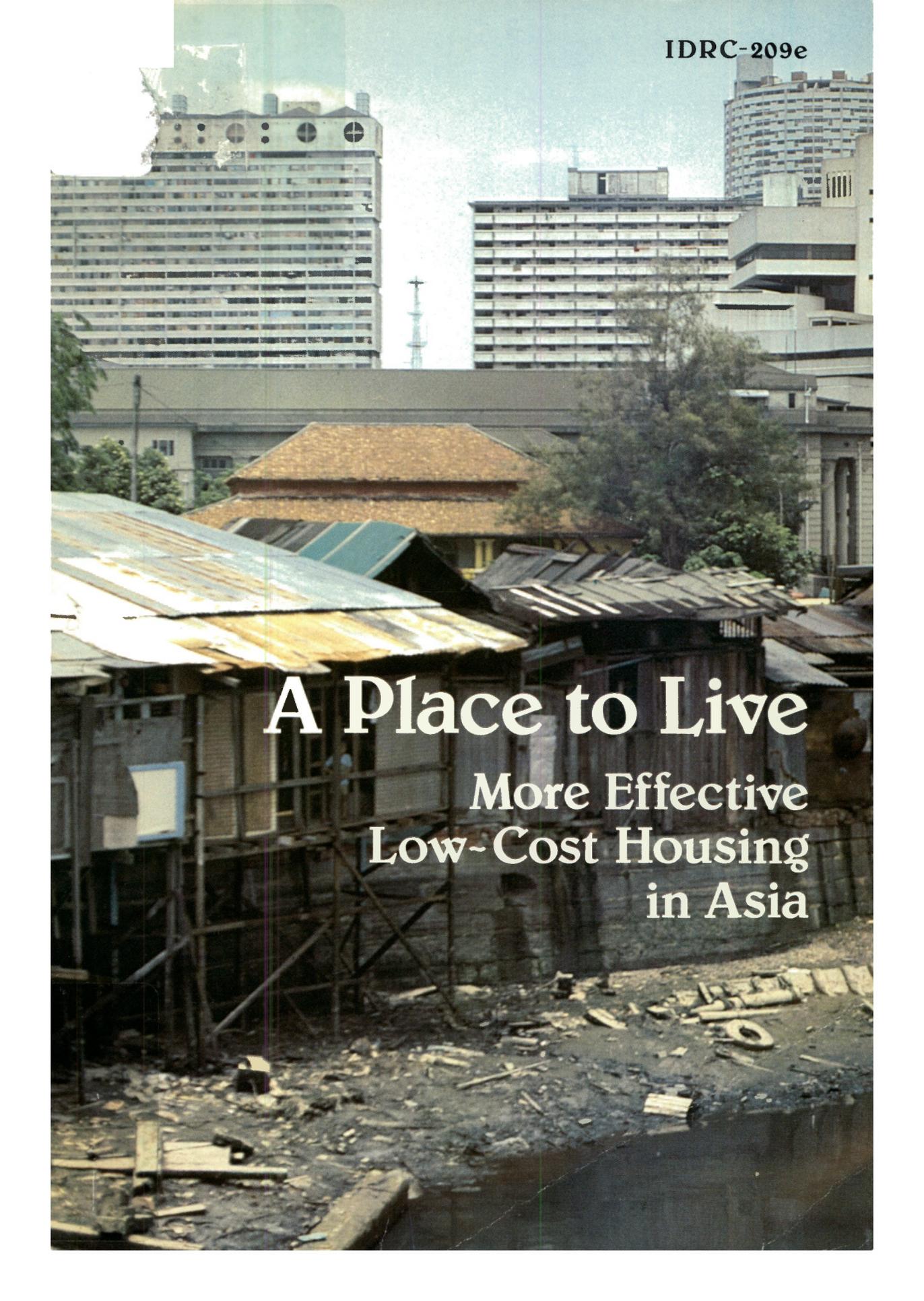


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**A Place to Live**  
**More Effective**  
**Low-Cost Housing**  
**in Asia**

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**A PLACE TO LIVE:  
More Effective Low-Cost  
Housing in Asia**

**Editor: Y.M. Yeung**

## Résumé

Dans un climat d'urbanisation rapide et de pauvreté générale, le problème du logement des populations pauvres constitue un défi pour la plupart des gouvernements de l'Asie. Cet ouvrage passe en revue les principaux programmes d'habitations à loyer modéré qui existaient à la fin des années 1970 dans six pays asiatiques.

A Hong Kong et à Singapour, les programmes de logements sociaux ont contribué considérablement à répondre aux besoins d'une grande portion de la population. Cet ouvrage examine l'expérience récemment acquise dans l'aménagement de nouvelles villes et la construction subséquente de logements sociaux. Dans les deux villes-états, on a tenté de mettre l'accent sur la gestion du logement en l'adaptant plus étroitement aux besoins, nouveaux et réels, de la population.

En Thaïlande, aux Philippines, en Malaisie et en Indonésie, des programmes semblables, mais adaptés aux pays, ont été mis sur pied afin d'améliorer les conditions d'habitation de la population pauvre. La plupart de ces programmes visent plus particulièrement les bidonvilles et les taudis des grandes villes, mais certains portent sur les besoins d'habitation de la population rurale. Ces pays ont lancé beaucoup de projets d'aménagement des sites et des services et d'amélioration des services existants. Leurs gouvernements accordent de plus en plus d'attention au problème du logement, et ce changement d'attitude a été renforcé par l'aide financière internationale qu'ils reçoivent depuis quelques années. Des projets innovateurs entrepris par la population même, qui a dans une certaine mesure réussi à satisfaire ses propres besoins d'habitation, viennent s'ajouter en complément des programmes subventionnés par des organismes nationaux et internationaux.

## Resumen

Frente a la acelerada urbanización y expandida pobreza, la vivienda para los grupos menos favorecidos se ha convertido en un reto para la mayoría de los gobiernos Asiáticos. Este volumen reseña los principales programas de vivienda de bajo costo realizados a finales de los setentas en seis países Asiáticos.

En Hong Kong y Singapur, el progreso de los programas de vivienda popular para hacer frente a las necesidades de grandes sectores de la población ha sido considerable. Se resume la experiencia reciente en desarrollo de nuevas poblaciones y la provisión de vivienda popular. En ambas ciudades-estados ha habido un intento por colocar mayor énfasis en la administración de la vivienda, haciéndola más receptiva a las necesidades nuevas y reales.

En Tailandia, Filipinas, Malasia e Indonesia, han surgido programas similares, específicos de cada país, para mejorar las condiciones de vivienda de los pobres. La mayor parte de estos se centran en los tugurios y barrios marginales de las grandes ciudades, aunque algunos están dirigidos a las necesidades de vivienda de la población rural. Entre los proyectos destacados en estos países están los de lotes con servicios y los de mejora comunal. Los gobiernos respectivos dedican cada vez más atención a la vivienda para lo cual han contado con el respaldo de la asistencia internacional en los últimos años. Complementando estos programas apoyados nacional e internacionalmente están también los empeños innovadores de la misma gente, los cuales han alcanzado un cierto grado de éxito en la provisión de la vivienda propia.

## Contents

Foreword	5
Preface	7
Introduction	11
New Towns in Singapore <i>Liu Thai-Ker, Lau Woh Cheong, and Loh Choon Tong</i>	27
Management of Singapore's New Towns <i>Lim Kok Leong, Chin Kein Hoong, Chin Koon Fun, Leslie Goh, and Ong Sze Ann</i>	49
Low-Cost Housing in Malaysia: A Review of Public Sector Involvement <i>Tan Soo Hai</i>	65
Low-Income Housing in Malaysia: A Qualitative Evaluation of Alternative Approaches <i>Tan Soo Hai and Hamzah Sendut</i>	79
Recent Trends in Low-Income Housing Development in Thailand <i>Sidhijai Tanphiphat</i>	103
Urban Growth, Housing, and Slum-Upgrading Programs in Bangkok <i>Pree Buranasiri</i>	121
Urgency of a Slum-Improvement Program in the Philippines <i>National Housing Authority</i>	133
Bagong Lipunan Sites and Services Program: The Philippine Experience in Rural Housing and Development <i>Arturo D. Aportadera</i>	147
Assessing Project Impacts <i>Douglas H. Keare</i>	157
Kampung-Improvement Program: An Indonesian Experience <i>Suyono</i>	171
Housing Needs and Related Urban-Development Programs and Processes in Hong Kong <i>E.G. Pryor</i>	185
Public-Housing Management in Hong Kong's New Towns <i>Fung Tung</i>	199
Contributors	215
Appendix: Currency Conversion Table	216

## **Kampung-Improvement Program: An Indonesian Experience**

Suyono

Like many other developing countries, Indonesia has been suffering from the worsening condition of housing. Since the Second World War very little investment has been made in housing, although the need for housing has been increasing more rapidly than concomitant investment. As a result, kampungs and squatter areas have been growing in many cities, especially in big and metropolitan cities. Most of the people live in areas of poor housing. They lack easy access, reasonable sanitation, and other facilities. The conditions in the kampungs have worsened because population has increased continuously due to natural growth and migration into the cities.

Preparatory work toward improvement of such housing conditions has been going on for a long time. However, with housing investment losing to many more pressing problems, such as food, clothing, and economic infrastructures, meaningful improvement of housing conditions did not take place until the Second Five-Year Development Plan (1975–1979). Even at that time the available budget was still limited, such that the existing kampungs were improved, leaving some funds for the construction of new housing projects.

This paper presents highlights of Indonesian experiences in implementing the Kampung-Improvement Program (KIP). It discusses current housing policies, the historical background and rationale of KIP, past achievement, future programs, improvement standards, kampung-selection criteria and priority ordering, KIP organization, and popular participation in KIP. It is hoped that the Indonesian experience may be applicable to some countries in the region.

### **Indonesian Housing Programs**

The Indonesian government has now three different housing programs for urban areas. The first is the Kampung-Improvement Program (KIP), designed to improve existing kampungs that have grown unplanned and that have poor infrastructures and urban facilities. For now this program does not include improvement of the houses, and it is expected that the houses will be improved by the owner on the basis of past experience. Though existing kampung and squatter areas are occupied not only by poor people but also by middle-income people, the target of this program is primarily the low-income population.

The second program is to provide new houses for low- and middle-income groups. The size of the houses varies from 15-m<sup>2</sup> core houses on 200-m<sup>2</sup> lots. For this group of people, the government provides long-term loans at subsidized interest rates through the National Saving Bank and develops such housing projects through the National Urban Development Corporation (PERUMNAS) established in 1974. Therefore, people can now borrow from the National Saving Bank to buy houses built by the National Urban Development Corporation (NUDC) as well as by private developers. The provision of long-term low-interest loans to housing buyers, combined with the provision of construction loans by other government banks to developers, will induce private developers to expand their activities in providing housing for low- and middle-income people, because they have a larger and more secure market now.

For the lower high-income population, the government provides long-term loans at prevailing market interest rates for buying new houses from private developers. This measure is expected to reduce pressure created by that group on the housing market for the middle-income population and will induce private developers to increase their production of houses for this group.

Supporting programs can be subdivided into three programs, the institutional program, manpower-development program, and other programs. For the institutional program, the central government has established or strengthened several institutions. In 1974, a National Housing Policy Board was established, followed by establishment of the NUDC in the same year, and additional assignment was given to the existing National Saving Bank to extend housing-ownership loans, comparable to mortgage loans, to low- and middle-income groups. The latter two institutions are still experiencing organizational development as their work load increases continuously.

For the implementation of KIP, special KIP units have been established in project cities, whereas for rural housing-improvement programs existing institutions dealing with improvement of the welfare of the rural population have been used.

Recruitment of personnel is continuous to strengthen and to expand the implementation agencies at the central, as well as at the local, levels, and is followed by courses and training programs to introduce them to, and to increase their capability to implement, the programs.

Introductory courses are also given to decision-makers in local governments to introduce the program to them and to make them realize that housing programs are actually their responsibility. The central government attempts to put this program on a self-sustaining basis as soon as possible by assisting the local governments in building up their capability, technically as well as financially, to implement and to continue the programs. The existing development programs financed by the central government are more directed at training and should be regarded as the beginning of development programs to be continued by local governments.

## **Historical Background**

Kampung improvement in Indonesia is not a new phenomenon. It was started in the early 1930s by the Dutch colonial government. The program

was directed towards urban settlements inhabited by non-European people, especially the native population, that grew without proper planning and with very little basic facilities provided by the government. For example, kampungs had few paved roads, footpaths, or drains, no proper sewerage system, and no piped water supply, so they were not easily accessible and suffered from poor sanitation.

With the onset of the Second World War, the program was abandoned. The government did not refocus its attention on the problem until the late 1960s, when the first Indonesian Five-Year Development Plan (1970–1974) was formulated. Of course, in the interim some self-help activities resulted in limited improvement of living conditions, but because of their limited capability, technically as well as financially, the improvements made did not reach satisfactory standards. The improvement to the sanitation was marginal.

At the same time, similar kampungs continued to grow because of the increasing influx of rural–urban migrants caused by several reasons. In the 1950s, people moved into cities to escape from rural unrest resulting from rebellions in many parts of the country. That kind of migration continued until the late 1950s.

After the rebellions had ended, migrants continued to stay in the cities. Only some of them went back to their previous villages. Since then, migrants have consisted primarily of young people seeking higher education and better jobs. Old kampungs, thus, became more crowded and new kampungs appeared on empty and uncontrolled land, either privately or government owned, and located close to work places in the city.

During the First Five-Year Development Plan some local governments, such as those in Jakarta and Surabaya, started some improvement activities financed partly by the people and either partly or fully by local governments. At that time, Jakarta was the only city that had a clear improvement program of its kampungs that conformed to certain criteria established by the local government.

In 1971, the World Bank expressed its interest in helping some local governments with loans to prepare better improvement programs and to finance their implementation. In 1972, a fact-finding mission came to Indonesia and made short visits to Jakarta, Surabaya, and Ujung Pandang. With the consent of the central government, it offered the local governments some loans to speed up and to improve their kampung-improvement programs. Only the City of Jakarta was interested in accepting the offer. Surabaya and Ujung Pandang were not ready yet to accept the loan assistance.

Based on further studies conducted by a planned community development consultant, a loan agreement was signed by the World Bank and the Government of the Republic of Indonesia in 1974. The total amount of the loan for KIP was about US\$18.2 million, which was used to finance 50% of civil works contracts, to improve 1980 ha of kampungs, and to purchase equipment, such as fire trucks and sewage pumps. Funds were also provided to prepare other projects in Bogor, Tangerang, Bekasi, Semarang, Surabaya, Surakarta, and Ujung Pandang.

While this study was still going on, the second loan agreement was signed in 1976 to finance expenditures similar to the first loan for the cities of Jakarta and Surabaya. The total amount of the loan for KIP in Jakarta and

Surabaya was US\$52.5 million to improve 3000 ha in Jakarta and 374 ha in Surabaya. Some funds were also provided to finance studies for the cities of Padang, Palembang, Pontianak, Banjarmasin, Samarinda, and Denpasar.

Based on the studies financed from the first loan, a third loan agreement was signed in January 1979. The total loan was US\$54 million to finance KIP and some other related activities in Jakarta (750 ha), Surabaya (580 ha), Ujung Pandang (375 ha), Semarang (310 ha), and Surakarta (170 ha). Some funds were also provided to finance feasibility studies for further kampung improvement and other urban-development programs.

The fourth World Bank loan was negotiated in March 1981. The total loan was US\$43 million of which about US\$15.5 million was allocated for KIP in Palembang (320 ha), Padang (310 ha), Banjarmasin (320 ha), Pontianak (400 ha), and Denpasar (470 ha). Parts of the loan were also allocated to finance various supporting activities, such as the solid-waste management program, community-health training, external-drainage improvement, land registration, technical assistance on project management, project monitoring and evaluation, and feasibility studies for further programs.

Other international institutions (including the Asian Development Bank (ADB)) are interested in assisting the Indonesian government to finance KIP. They were interested in financing KIP in the cities of Bandung and Medan, and about 30 cities (medium and small) in central Java. A loan agreement with ADB for Bandung was signed in 1979. The total area of kampungs to be improved was 385 ha. Another study has been done for Medan, but no agreement has yet been reached on the financial aid for KIP in that city. For 30 cities in central Java, ADB dispatched a fact-finding mission in February 1981.

Besides international institutions, Indonesia got one offer of bilateral aid from the Netherlands to finance KIP in Bogor (200 ha), Tangerang (100 ha), Bekasi (100 ha), and Cirebon (200 ha). Also, the Netherlands government provided technical assistance for program preparation, implementation, supervision, and building up of management capability of the KIP implementation unit in each city.

Other assistance for KIP has also been received from UNEP and UNICEF. UNEP provided funds to finance research on the possibility of introducing new technology, such as the use of solar energy and recycling of water, and non-infrastructure concerns like loan provision to kampung inhabitants, and vocational training in promoting home industries. The research was conducted in Bandung and Surabaya. No funds, however, were provided for the implementation of the system tested in the research. UNICEF provided assistance related to children and mothers' welfare and to the general health-improvement and education program, including training in social planning.

Recently, the Swiss government expressed interest in broadening its assistance to the cities of Cirebon and Yogyakarta, from water-supply projects to general environmental sanitation programs by adding sewerage, drainage, and solid-waste programs to support KIP.

Until the end of the Second Five-Year Development Plan, all cities that received assistance for KIP were large and financially strong enough to finance their KIP and to borrow money to speed up their program. The central government only assisted them in looking for financial aid from international financial institutions, such as the World Bank and the ADB, or

Table 1. Proposed government assistance for KIP to 1983/1984.

Type of city	Population size (000)	No. of cities	Target/city (ha)
Big	500-1000	10	200
Medium	100- 500	40	100
Small	20- 100	150	60

from interested donor countries.

At the end of the Second Five-Year Development Plan, the Indonesian government realized that KIP was needed not only in large cities but also in medium and small cities. In the latter, technical resources are so limited that no spare funds are available to finance KIP. Therefore, since the beginning of the Third Five-Year Development Plan, the central government decided to provide financial assistance to small- and medium-size cities. To a certain extent the central government gives grants to all cities as a stimulant to start their KIP activities. In the Third Five-Year Development Plan it is mentioned that, from 1980 to 1984, the central government will assist 200 cities of various sizes to improve a total area of about 15 000 ha of kampungs (Table 1).

### Why Kampung Improvement?

Some people may ask why the existing kampungs should be improved. Some may prefer to demolish them and to build new and better housing projects, provided with better infrastructures and facilities. However, the latter is an economically prohibitive proposition. The government cannot afford to compensate residents of demolished kampungs. Furthermore, a renewal project undertaken now will mean that many of the original inhabitants of the kampungs would be moved out to other sites where land and development costs are still relatively low and affordable to them. Such sites are usually located far from the city centre and work places, so they have to bear heavy costs in transportation to their work place. The loss of time minimizes the opportunity for an additional or side job to augment income.

The other disadvantage of urban renewal is the loss of the existing housing stock. The new houses will mostly replace those that have been destroyed for renewal, so that new investment can hardly add to the housing stock. Because there is a real need for new houses to accommodate new families caused by population increase and to relieve overcrowdedness of the existing kampungs, improving the existing kampungs is widely believed to be the superior approach. Improvement costs much less than renewal. Also, new housing is constructed to increase the housing stock.

In kampung improvement, attention is focused on environmental sanitation by provision of paved roads or footpaths, drainage ditches, water supply, sewage disposal, and solid waste collection. By providing those facilities it is expected that people will be induced gradually to improve their houses using their own resources.

### Past Achievement and Future Program

Though kampung improvement by popular participation has been

undertaken for many years, no record has been kept. Only those with government assistance have been recorded. Furthermore, many of the kampungs improved by popular participation have been further improved by the government improvement programs.

During the First Five-Year Development Program, the local government of Jakarta had improved an area of its kampungs using its own funds. In the Second Five-Year Development Program, with loan aid from the World Bank, Jakarta succeeded in improving about 2000 ha and the Government of Surabaya improved 440 ha. At that time KIP covered only physical aspects.

Entering the Third Five-Year Development Program there was a big change in government policy on KIP. The government started to improve kampungs in the cities, with the target of 50% of the area of existing kampungs (see Table 1).

The government realized that physical improvement alone is not enough. The ultimate goal is to improve the kampungs as a whole, and to raise the living standards and living conditions of its population. Therefore, physical conditions must be improved along with the quality of life and the economy.

The program for improvement in quality of life is directed toward the improvement and maintenance of nutrition for the people, family welfare, health, and education. This is done first by building up the residents' understanding of the needs for improvements, and their advantages. Then the consciousness of the need for, and advantages of, improvement is developed. Finally, ability and know-how to improve life and to maintain the improved conditions are developed.

The economic- or business-improvement program is directed toward creation of new additional jobs for family members within the kampungs, such as home industries, small shops, and repair shops, to augment their household income. In this program, the government provides various kinds of facilities and assistance to the people, such as small loans with low interest to be used as working capital and help with marketing their products through developing cooperative organizations. Entrepreneurship among the people in the kampungs is also developed.

Thus, the integrated KIP requires the coordination of many institutions such as the ministries of Public Works, Social Welfare, Home Affairs, Health, Trade and Cooperatives, Education, Labour and Transmigration, and similar agencies at the local government level. Semi-governmental and non-governmental organizations in the kampungs play the biggest role, for without their involvement the program would not succeed. To get optimum results from such programs, good coordination is needed among all the institutions involved.

Whereas the implementation of physical improvements has moved fast and with significant success, the non-physical improvement program is still in its initial integration process. No significant results can yet be observed, as experimentation and looking for the best way to do it continue. So far much depends on the local government in coordinating different activities carried out by the different agencies in their territory. The results will vary greatly depending on the existence of a good understanding amongst local government agencies, and between local government and central government agencies operating in the region.

## Components and Standards of Improvement

In principle, there are two types of KIP. First, is KIP that is fully financed by a grant from the central government. This program is called KIP Perintis or stimulator KIP. Second, KIP is financed partly by a grant from the central government and partly by a loan guaranteed by the central government or by the local government. The physical improvements covered by KIP Perintis are the improvement, or provision, of roads, footpaths, and drainage and sewage disposal, water supply, and garbage collection facilities.

### KIP Perintis

In KIP Perintis, the central government assists the local government to improve about 50% of the kampung area. The program is carried out in four types of cities: metropolitan areas (population >1 million), big cities (500 000–1 million), medium cities (100 000–500 000), and small cities (20 000–100 000) based on population size. The target of improvement of KIP Perintis is 200 ha for the big city, 100 ha for the medium city, and 60 ha for the small city.

The improvement standard for KIP Perintis is Rp2 800 000 (US\$4667)/ha, or simply a threshold standard. At this level of resource allocation, only about three or four of the seven components eligible for improvement can be undertaken. The most common components improved upon are roads, footpaths, drainage, water supply, and garbage collection facilities. The types of components included in the program vary from one kampung to another depending on local conditions and the priority expressed by its population.

In the big city, the local government usually has stronger financial resources. Therefore, loan aid is extended to increase the improvement standard up to Rp6 000 000 (US\$10 000)/ha, or simply the minimum standard. In this case, the central government will provide 50% of the cost, with the remainder provided by the local government or from a loan to be paid back by the local government. When a local government is willing to finance 50% of the cost, either from its own revenue or from borrowing, the improvement standard can rise above the KIP Perintis target. Using the minimum standard improvement can be realized in all physical components. Also, better education and health facilities can be provided.

There being no physical standard, the important thing to consider in KIP Perintis is that the improved component will function, especially drainage ditches and garbage collection facilities. It is not useful to have good drainage ditches in the kampung if they cannot discharge water to the master drainage system. It is also not useful to have solid-waste collection facilities if there is no system for good collection, transportation, and disposal. The provision of physical standards for KIP Perintis may even cause confusion to the implementors and hamper the implementation.

### Loan-Aided KIP

For a loan-aided KIP with minimum cost standards (Rp6 000 000 or US\$10 000), minimum physical standards for improvement are introduced.

### **Roads and Footpaths**

All dwellings should be, at most, 100 m from a one-way road and, at most, 300 m from a two-way road with at least a width of 4 m of paved surface. Total road length per hectare (including existing roads) may range from 50–100 m for one-way roads and 15–35 m for two-way roads.

A paved footpath should be within 20 m of every dwelling not located on a road. Footpath pavement width will range from 1–3 m.

### **Water Supply**

Water supply should average 20 L/person/day from public water taps connected to the municipal system by means of a distribution system with a potential capacity of 60 L/person/day, or connected to a deep tube well. Public water taps should be provided so that one tap serves 20 to 50 families, excluding those with existing private facilities.

### **Sanitation and Drainage**

Sanitary facilities for each dwelling should include one water-seal toilet with seepage pit where feasible. Where space or ground conditions do not permit pit privies, small communal toilet facilities with septic tanks will be constructed.

Garbage carts, sweepers' carts, and garbage bins should be provided as appropriate to serve each neighbourhood.

Storm water drainage by means of open channel drains adequate to convey flows caused by annual maximum rainfall should be provided along roads and footpaths. Connecting channels should be provided between local and primary drainage networks as appropriate.

## **Criteria for Selection of Kampung**

As available funds are limited, and only part of the kampungs can be improved, selection criteria are needed to establish priorities for improvement purposes. These criteria are based on the following general guidelines:

- physical condition (those areas with the worst condition should be given priority for improvement)
- population density (high density should be given priority)
- strategic location of kampung with respect to development trends of city
- age of kampungs (older, well-established kampungs should be given priority)
- the kampung-improvement program shall be city-wide in scope
- the kampungs should conform to the general land-use patterns envisaged in the master plan

For further guidance to the planners in the preparation of the priority list, a weighting and scoring system is introduced by putting certain weights to specified items and certain scores to varied conditions of an item. These scores have to be decided by surveyors after extensive field surveys. The results however may be erroneous, firstly, because personal judgement of the surveyors varies and each may give a different score to even the same condition. Secondly, the guideline itself is also based on the

personal judgement of one or a group of people who prepared it. The main purpose of the guideline is to simplify and speed up the evaluation process. The selection criteria being used today are set out in Table 2.

Before surveyors survey the kampungs, it has to be decided whether a kampung should be included in the list or not. This is done by studying the city plan. If the kampung lies in an area planned to be an area of low-cost housing or housing for low-income people, then it can be included in the list. If a kampung lies in area planned for housing for high-income people or other uses there are two possibilities. First, if the plan for the area is soon to be implemented, the kampung is excluded from the list. Secondly, if the plan for the area is not to be implemented for a relatively long time, the kampung may be included in the list. But if the existing kampung is also hazardous to itself and its neighbours, such as posing a flood hazard, the kampung will be excluded from the list.

The described scoring system may be subject to errors. Based on the scoring system, a kampung may have a higher priority than another kam-

Table 2. Criteria being used for kampung selection.

Criteria	Weight value	3 points	2 points	1 point
Flooding	3	50% of area regularly flooded	50% of area regularly flooded	Little or no flooding
Sanitation	3	No septic tank, few individual pit latrines; use of stream and drainage channels	Prevalence of individual pit latrines	Many septic tanks, few individual pit latrines
Public health	3	High incidence of disease	Average incidence of disease	Low incidence of disease
Present or proposed land use	1	Residential	Mixed industrial, commercial, and residential	Industrial and commercial
Vehicular/pedestrian access	2	Poor; dwelling units located along narrow footpath or off footpath	Fair; some paved secondary streets with much access from footpaths	Good, mainly access along paved secondary roads; little footpath access
Kampung age	2	Pre-1945	1945-1960	Post-1960
Community participation	2	Good	Fair	Poor
Residential	2	>550 persons/ha	350-550 persons/ha	<350 persons/ha
Household income	2	<Rp30 000/month	Rp30 000-60 000/month	>Rp60 000/month
Location	1	City centre	Inside municipal boundary	Outside municipal boundary
General condition	1	Poor	Fair	Good
Housing layout	1	Poor	Fair	Good
Public schools	1	None	Poor coverage	Fair coverage
Impact of improvement program	1	High	Average	Low

pung, but some city officials may judge that the latter is worse. In this case, the responsible city official or officials may decide to change the priority order. This is the general weakness of any effort to quantify. Given its limitations, the system appears to serve the purpose of identifying more accurately kampungs most in need of improvement.

## **Implementation and Organization of KIP**

Organizationally and financially KIP is the responsibility of the local government. For Jakarta, this does not create a problem, as Jakarta is the centre of not only the government administration but also the biggest trade and industrial centre in the country with its related services. Consequently, the Jakarta government has the financial resources to finance KIP fully from its own budget. There are sufficient professionals and technicians to carry out the program without much assistance from the central government. The exception occurs when additional sources of funds are available to speed up the implementation of its KIP. In this case, the central government helps the local government in finding loans from international financial institutions, such as the World Bank.

Some other metropolitan areas and big cities, such as Surabaya, Bandung, Semarang, and Ujung Pandang, also possess relatively strong sources of income. They can set aside some funds from their own budget to implement their KIP, but they still need some financial and technical assistance from the central government. For these cities, and as long as the construction cost does not exceed Rp6 000 000 (US\$10 000)/ha, the central government can provide 50% of the total cost of civil works contracts. The other 50% and the overhead cost of the KIP Unit shall be borne by the local government from their internal revenue or from borrowing. If they want to borrow money they would request the central government to assist finding loans from international sources, such as the World Bank, ADB, and bilateral aids. In case the construction cost does not exceed Rp2 800 000 (US\$4667)/ha, then the central government will finance 100% of the costs. The implementation of the program is also done by an implementing unit established by the local government called the KIP Unit.

### **The KIP Unit**

Because small- and medium-size cities are usually weak in financial resources, they usually cannot set aside funds to finance KIP. Thus the central government will finance 100% of the necessary budget as a grant to the local government. However, the program itself is implemented by the KIP Unit established by the local government, similar to that in big cities.

The KIP Unit at the local government level is responsible for preparing and implementing KIP works from preplanning through supervision. It has to define kampung areas for improvement, develop a budget and financial plan, prepare drawings and specifications, and manage the contracts. The planning and implementation of KIP are done in collaboration with the communities affected. The KIP Unit informs the kampung committee and non-governmental organization about the program, and provides a forum for discussion and modification of the plan.

In many cases, the KIP Unit is not technically strong enough and the central government usually has to assist them in preparing the program and the projects. The central government may hire consultants to assist them in preparing feasibility studies, project designs, tendering, implementation, supervision, and monitoring. The consultants also provide on-the-job training to the personnel of the KIP Unit in technical as well as managerial fields. The central government assists them also by providing guidance and standards.

Besides the KIP Unit, each city has to establish a steering committee whose members are from various departments of the local city government, such as the Sub-Directorate of Budget and Finance, the City Planning Department, the City Physical and Social Infrastructure agencies, and district heads (Camat), where appropriate. The function of the steering committee is to review the budget and finance plan, to approve the selected kampungs for improvement, to resolve problems of coordination with other municipal departments, and to refer larger policy issues to the city council, the province, and the central government, as appropriate. The committee has the authority to coordinate economic, social, as well as physical-infrastructure programs, together with other development projects of the city. This steering committee is chaired by the Mayor (or Bupati) or other official responsible to him.

At the national level, KIP is the responsibility of the Directorate of Housing within the Directorate General of Housing, Building, Planning, and Urban Development (Directorate General of Cipta Karya), Ministry of Public Works. The directorate is responsible for the preparation of the national annual program and supervises its implementation as carried out by the KIP Unit of the local government. The supervision is done through project managers at the provincial level who directly supervise KIP Units in all cities within the province assisted by the central government. The project manager is also the one who authorizes payments from the central government budget based on the contractor's application that has been approved by KIP Unit managers. The Directorate of Housing also assists local government in personnel development for the KIP Unit by conducting courses for different types of program implementors, such as project managers, KIP planners and designers, field supervisors, and other local government officials involved in the preparation of the local government development program. The KIP Unit is also supervised and guided by the Ministry of Home Affairs, especially on things related to city administration and finance.

## **Community Participation**

Kampung improvement in Indonesia is based on an understanding that the improvement is for the benefit of the kampung inhabitants. It is thus imperative that they participate in the program. They have to feel that the program is their program so that they participate in one way or another.

Community participation is needed at different stages of the program, starting from the preparation or planning stage, and continuing through the construction stage to the operation and maintenance stages.

## **Planning Stage**

At the planning stage the opinions of the inhabitants are needed to determine what parts of their kampung need to be improved and what has priority. This can be done through community meetings under the chairmanship of their elected community organization leader. The leader will then bring the proposal to the KIP Unit through the Lurah and the Camat to be considered in the preparation of the annual program. This direct input to the program will ensure further participation of the inhabitants in the construction, operation, and maintenance stages.

Community participation at the construction stage can be realized in various ways. The easiest and minimum participation expected of them is their favourable attitude, which means that they neither hinder nor obstruct the ongoing construction works in their kampung. If possible, they should help in the construction works so that the works can be completed faster and in good quality. In many cases, the inhabitants are asked to sacrifice some of their land for the construction of roads, drainage, and other facilities. If the land required by the project is relatively small the inhabitants sacrifice it voluntarily. But if the land to be taken by the project is relatively large the community is expected to negotiate compensation for the land. The local government may help to resettle them in other places, but they have to pay for the new accommodation provided for them. The same procedure is also applicable to the buildings that may need to be partially or completely cleared for the new facilities. In cases where they do not reach an agreement, the project is postponed and the earmarked funds are reallocated to other kampungs.

In some cities, such as in Surabaya and Surakarta, the people also participate in the program by providing local building materials, labour, or funds, and the local government provides equipment and building materials that are not available locally. This kind of participation, however, cannot be expected from the poorest people.

## **Operation and Maintenance Stages**

The kampung inhabitants are also expected to participate in the operation and maintenance of the infrastructure and facilities constructed during the improvement program. For certain maintenance works, the participation can be done individually, but for other works the whole community has to be involved. The individual tasks include cleaning of drainage ditches and cutting of grass along roads adjacent to the building lots. Community projects are represented by cleaning open land spaces and playgrounds, public bath- and washrooms, and public taps. These can be undertaken by the residents' own labour or by hired hands.

## **Conclusions**

What started in 1969 as a Jakarta-oriented KIP is now nationally significant in terms of its impact and has gained international recognition for its approach. Although the program was initiated locally and in the first 5 years (Repelita I, 1969–1974) focused solely on Jakarta, subsequent assistance

provided by the World Bank and, to a lesser extent, other international agencies has accelerated the spread of KIP to other Indonesian cities. By the end of 1979, 50% of the population of Jakarta and 10% of Surabaya had benefited from KIP. Put in another way, in just a decade, Jakarta, the largest city in Indonesia, with a population of 6 million, has been able to provide basic services to almost all of the depressed areas under its jurisdiction.

Many factors have accounted for the success of KIP from the outset, including effective program management, political will, and sound budget cycle. KIP has yielded several useful lessons for other developing countries. Firstly, when confronted with the problem of limited financial support from local sources, one way of improving urban services is to adopt the approach of meeting minimum infrastructural needs at low cost. These facilities can be upgraded later when more generous funding is available. Secondly, physical improvement programs are easier to carry out, with social and economic improvement following thereafter. In Indonesia, the socioeconomic component of KIP was only introduced in 1976 when infrastructural improvement had already made significant headway in many areas of Jakarta. Finally, community participation and commitment are crucial to the success of any slum-upgrading program. KIP was initially launched in response to the abundance of poorly serviced and inaccessible kampungs prevalent in many parts of Jakarta. Instead of working for the people, KIP staff have always worked with the people. This makes a tremendous difference, especially in the socioeconomic improvement programs in which full support from the inhabitants is essential.

From the foregoing account and other evaluations, it can be concluded that KIP has more than fulfilled its original expectations and objectives. Over the years, it has progressively upgraded the living conditions of an ever-increasing urban population. From the standpoints of its scale, the number of beneficiaries, and the number of cities affected, KIP is one of the most remarkable slum-upgrading programs in the developing world. The challenge that lies ahead is in effectively extending the program to the innumerable smaller urban areas in the country that do not have the same kind and size of administrative and technical staff that is present in larger cities. There is also the need to maintain the improvements that have been achieved so that the fruits of progress will not be lost through sheer neglect or loss of sustained attention.