

The Influence Of Bsp Program On The Quality Improvement Of Habitable Settlements In Underdeveloped Regions

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Abstract: *Independent Housing Stimulus Assistance Program (BSPS) is a program initiated by the Government of Indonesia through the Ministry of Public Works and Public Housing in form of social assistance for low-income people (Masyarakat Berpenghasilan Rendah or MBR). The assistance provided is intended to encourage people to renovate and expand their house so that it is fit for a living (healthy and safe). BSPS program provided for underdeveloped regions especially Pandeglang district which is close to the Capital of Indonesia is able to give a positive influence in order to improve the quality of habitable settlements for low-income people.*

Keywords: *Independent Housing Stimulus Assistance Program (BSPS), Habitable Settlements Quality.*

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I. Introduction

House is the basic needs that must be owned by the state citizens so that become an inseparable part of public policy implementation both at the central and local level. Theory of independent housing in the context of developing countries commonly refer to JFC Turner (Turner, 1976). However, it should be admitted that state-aided independent housing has been continuing for a long time before Turner's idea arises in 1960-1970. Moreover, Turner's idea is closely related to the scheme policy of infrastructure and public facilities (Prasarana dan Sarana Umum or PSU) as well as neo-liberalism policy promoted by World Bank (Pugh, 1992). Although Turner's idea cannot be categorized new the government start realizing that they should not provide something that society can provide independently. As the consequence, Turner becomes the supporter of PSU scheme (site-and-service) also known as state-aided self-help, which means the government responsible to provide basic service and society responsible to build housing unit (Pugh, 2001).

Constitutently, a house is part of state citizens' basic need regulated in the 1945 Constitution. The 1945 Constitution and Article 28H of the amendment of the 1945 constitution modified into Law No 1 year 2011 regarding housing and settlements area is the evidence of government's recognition to the importance of house function as state country's basic need. Furthermore, in the Regulation of the Minister of Public Works and Public Housing Number 20/PRT/M/2014 concerning Mortgage Liquidity Facilities in order to get housing through welfare housing loans for lower-income people (amended by the Regulation of the Minister of Public Works and Public Housing Number 20/PRT/M/2015), the target group of welfare housing loans is fixed and non-fixed low-income people. MBR or non-bankable community commonly work in the informal sector with non-fixed income and has lack of access regarding habitable housing loans (Ferguson, 1999). Through that regulation, the government regulates the pattern of housing management as an effort to accelerate development and to improve social justice.

The legal basis has been explained emphasizes that all stakeholders engaged in housing area have to actively provide habitable settlements for all state citizens. This is because of housing position as the most strategic sector for state citizens so that needs the participation of all stakeholders. According to Perason (2008), a house becomes an important thing for family development since it contains learning process of family sociology. One of the problems with housing field in Indonesia is the small rate of descent and habitable settlements need fulfillment for low-income people, that condition is caused by poor inability to get affordable and habitable settlements as well as the weak of system and mechanism of housing subsidy for poor community, both through formal and informal market mechanism (Budiharjo, 2009).

According to Santoso et al (2002) government role to provide infrastructure and effective policy to the function of affordable housing system have been run for low-income people. The government, in this term, must provide a subsidy. Housing loans mechanism intended for low-income people has been implemented by the government through the Civil Servants Housing Savings (Taperum), Housing Loans (KPR), Social security (JAMSOSTEK), Mortgage Liquidity Facilities (FLPP), etc. Actually, not all those programs run effectively and reach all low-income people. Most of MBR commonly work in the informal sector with non-fixed income but they expect cheap and long-term housing loans. However, in between the high number of housing need, most of

the investor in Indonesia is still left behind. The real evidence is proven by the low ratio of housing loans to the Gross Domestic Product (Produk Domestik Bruto or PDB) (Suparwoko, 2013).

Program of the government of Indonesia in handling housing problem is issuing a policy concerning independent housing development in form of the Regulation of Public Housing Minister No. 06/Permen/M/2006 regarding Development/Renovation of Independent Housing Through Credit/ Micro Finance with Housing Subsidy Facility Support. The reasons to issue that policy are (a) housing and settlements are one of the human basic needs and are an important factor to improve human dignity and prestige, so it needs to create a condition that encourages housing development to maintain the sustainability of housing and settlements provision; (b) most of low-income people are still not able yet to live in a decent, healthy, safe, harmonious and organized shelter since their ability limitations to build or renovate healthy and simple house (RSH) conducted individually or jointly; (c) in order to facilitate housing loans, especially for low-income people who do not have an access to bank, it needs a development financing schema or renovation of independent house through credit/ micro finance; (d) low-income people group needs facility support from the government in form of subsidy of housing to build and renovate house independently through credit/micro finance.

Minister of Public Housing, in the event of supporting the implementation of independent housing development/renovation, also issues implementation guidance in form of the Regulation of Minister No: 08/Permen/M/2006 regarding Operating Procedure of Stimulus Giving for Low-Income People through Microfinance Institution/ Non-bank finance institution. That Minister Regulation summarizes procedure of distribution, liquidation and stimulus utilization. In order to improve the quality of independent housing development, in 2013 government issued the regulation of the Public Housing Minister Nomor 6/2013 regarding Independent Housing Stimulus Assistance. The vision is the government gives stimulus assistance in form of building materials for low-income people to help them to improve the quality of house from unfit for a living (Rumah Tidak Layak Huni or RTLH) become RLH (habitable settlements). This regulation gives a legal umbrella so that the donation is able to hit the mark which at its turn will encourage society ability to have habitable settlements.

There are several weaknesses in the process of BSPS program implementation. Firstly, there are many beneficiaries who sell the building materials they receive. As a result, house renovation as it planned is not realized. Secondly, there are many stimulus beneficiaries who are not able to exploit the materials well since the absence of a builder. It means that there is concept weakness of the Decision Letter of the Minister of Public Housing regarding Independent Housing Stimulus Assistance. That weakness includes the concept of renovation for low-income people. This concept assumes all beneficiaries candidate are able to renovate their house, with builder readiness and the design. Let alone, if one of the elements of renovation is not fulfilled, renovation purpose itself will fail. In 2015, the government issued the Regulation of PUPR minister Number 39/2015 regarding amendment of the Regulation of Public Housing Minister Number 06/2013 regarding implementation guidance of Independent Housing Stimulus Assistance. In 2016, that implementation guidance was refined again by issuing the Regulation of the Minister of Public Works and Public Housing Number: 13/2016 concerning Independent Housing Implementation Guidance. Realization of the BSPS program since 2006 until 2015 reaches up to 924,453 units, the data of the number of beneficiaries of BSPS program from 2006-2015 is illustrated below:

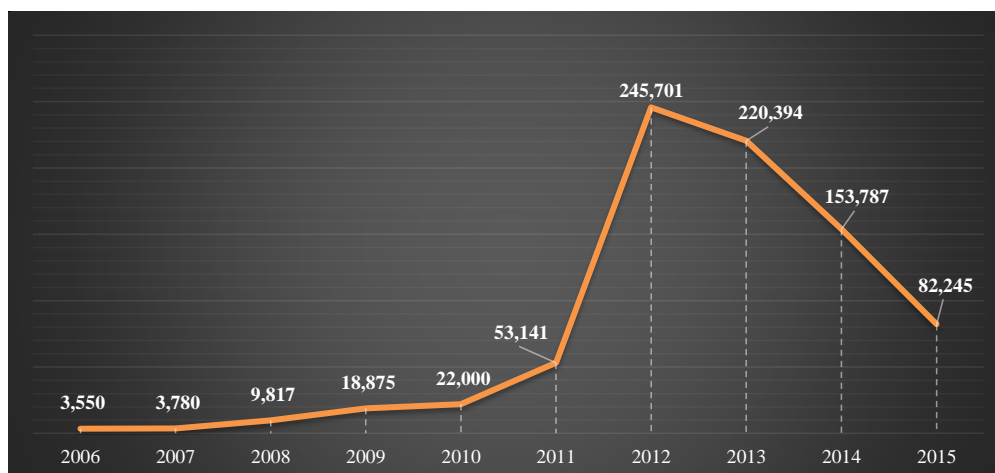


Figure 1 - BPS Program Realization Year 2006-2015
Source: Ministry of Public Works and Public Housing (2016)

Figure 1 indicates that in 2013-2015 there is a decrease in the number of low-income people of BSPS program beneficiaries. The decrease is due to the amount of budget allocated by the Ministry of Public Works and Public Housing for BSPS program is prioritized for infrastructure development that gives macro effect. In 2015, the number of provinces receiving the assistance program is spread proportionally; following is the distribution of BSPS program for each province in Indonesia:

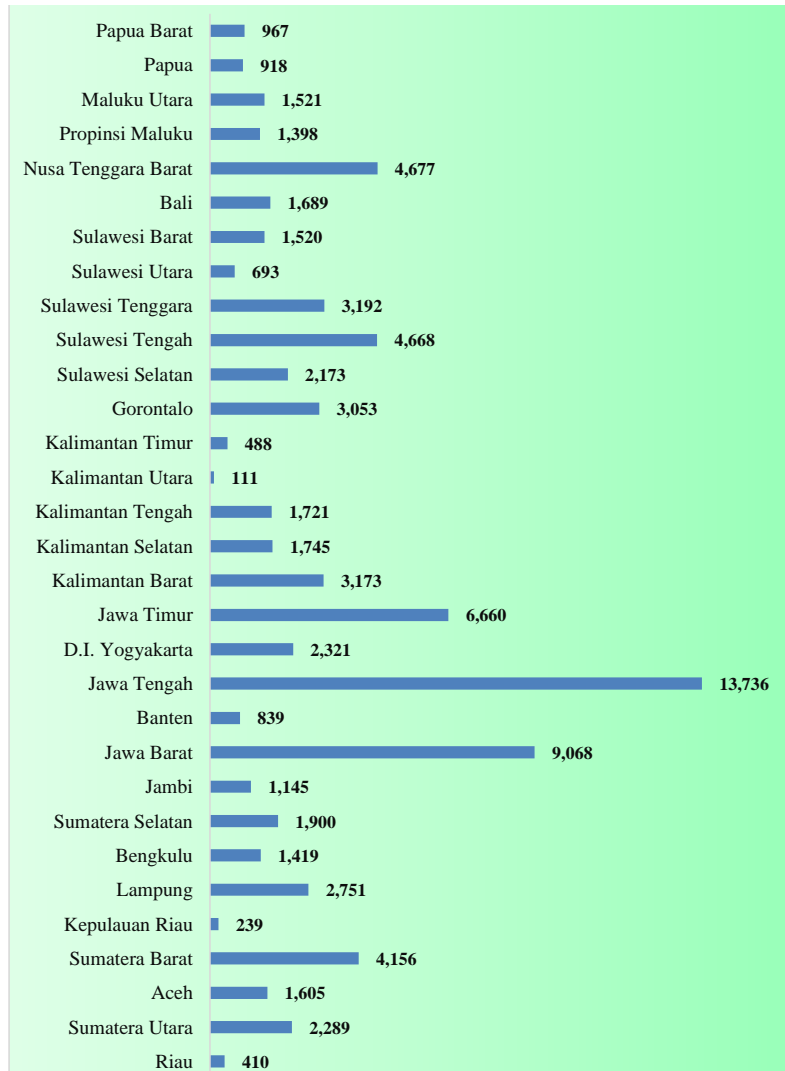


Figure 2 - Realization of BSPS Program Year 2015
Source: Ministry of Public Works and Public Housing (2016)

The main purpose of this study is to find out how much the influence of BSPS program implemented by the Ministry of Public Works and Public Housing on the quality improvement in underdeveloped regions. In order to achieve the reason, the first the researchers did was identifying indicators from each variable used and then decide the location for doing observation and conducted field visit. From the field visit, they got a result that was then used to give income in form of a relevant recommendation in the quality improvement of more effective BSPS program.

II. Literature Review

According to Qomaria (2015), BSPS program brings changes and well enough impact. That program increases the quality of the settlements and improves the state citizens' welfare. However, they still whinge about the number of funds they receive. They feel grievances with the less amount of fund. It can be said that BSPS program is effective enough to decrease the number of unfit for living settlements. Juniarko. et al (2012) says that BSPS program with more pure mechanism is an effort in fulfilling backlog in Malang district except for mechanism of housing loans. Stimulus assistance system in form of the revolving fund and pure grants actually has its strength and weakness. Grant fund is exploited to build new housing, housing quality

improvement, and PSU development. Stimulus assistance utilization through new housing development is able to decrease almost 0.23% of the backlog total (43,930 units) of housing needs in 2011. Entirely, society is satisfied with the performance of BSPS program with pure grants system. However, there are still several things that need to be improved especially coordination aspect, the number of grants, human resource quality improvement and Infrastructure and public facilities development quality.

According to the research result and analysis conducted by Inggriani (2015), factors that influence BSPS performance in Dharmasraya district are 1) communication; 2) resources; 3) disposition (attitude tendency); 4) bureaucracy structure. In addition to those factors, supporting resources for the implementation of BSPS program in Dharmasraya district is inadequate, especially human resources and coordination between society. Poor people handling through the program of settlements quality improvement like the research conducted by Pramita, Yasa, and Marhaeni (2015) regarding the role of social assistance towards the improvement of settlements quality through the program of housing renovation in Buleleng districts aims to (1) analyze the perception of low-income people of housing renovation program beneficiaries (2) to find out whether or not there is an improvement of before and after receiving an assistance of housing renovation program (3) to determine what obstacles faced by the government during the implementation of the program (4) to know the effort carried out by the government to overcome the weakness faced in the program of housing renovation in Buleleng district. However, the research result is limited to social perception on the government program, quality improvement, obstacles faced by the government, and an effort conducted by the government to overcome the weakness of the program. However, this research also does not show communication and participation element within the success of the program. A study on the impact of socio-economic independent assistance program and BSPS program environment in Meri village, Mojokerto conducted by Qomaria (2015) aims to answer the research on the socio-economic and environmental impact of a program issued by the government called BSPS program for low-income people in Mojokerto city. The result of this research indicates that BSPS program in Mojokerto, especially in Meri village is effective to increase the welfare of low-income people as the target group and improve the quality of their settlements.

III. Methods Of Research

This research aims to know what extent the influence of BSPS program on habitable settlements quality improvement for the beneficiaries. In an effort to know the influence of BSPS program on the quality improvement of habitable settlements is used regression method. Endogenous variable of this research is BSPS program with indicators: 1) infrastructure; 2) facilities; 3) public utility (technical guidance of BSPS implementation, 2016), while the endogenous variable is the quality of habitable settlements with indicator: 1) safety; 2) health; 3) comfort (Regulation of the Minister of Public Works and Public Housing Number 20/PRT/M/2014). This research was conducted in Pandeglang district, Banten Province. Pandeglang was chosen since it borders capital country. In addition, it also refers to National Development Planning Body (Bappenas) letter Number 2421/Dt.7.2/04/2015 regarding the list of underdeveloped regions and border area. Data collection process uses a survey technique by submitting written question or questionnaire to the 455 people of BSPS program beneficiaries that is divided into 3 villages in Cisata sub-district (figure 2). That instrument was firstly given test validity and reliability so that the data collected has high accuracy and consistency (Sanusi, 2011).

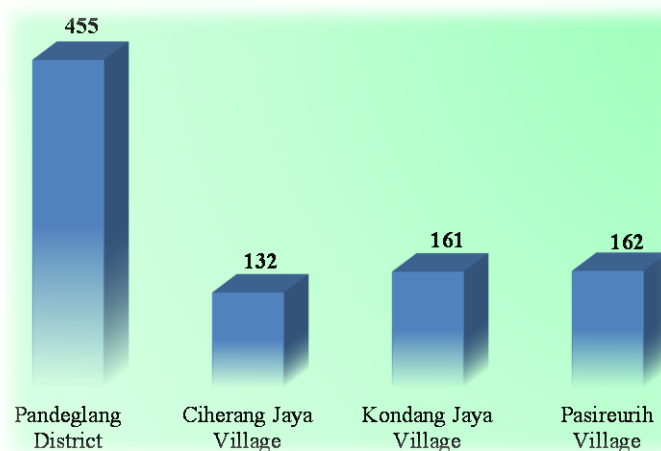


Figure 2. The number of BSPS Program Beneficiaries in Pandeglang District Year 2015 Source: Ministry of Public Works and Public Housing (2016)

IV. Results Of Study

The result of test validity given to the instrument indicates that r-count for each point of the question is higher than the r-table value (r-count > r-table) in which r-table value is 0.212 at α 1%. For that matter, all question points of the research are valid and can be used as research instrument. Furthermore was conducted instrument test reliability in which correlation coefficient value of calculation result is higher than r-table and it is proven that test reliability is significant and reliable as well as can be used for future analysis.

The next stage of this research is considering how much the influence of BSPS program is on the habitable settlements, the research result can indicate how much the influence of BSPS program towards habitable settlements from the regression equation below:

$$Y = 99.033 + 0.333X$$

The constant value of the result above is 99.033 which means if BSPS program (X) value is 0, so variable value of habitable settlement (Y) is 99.033. While the value of the coefficient of BSPS program variable regression is 0.333 which means if BSPS program (X) decreases 1 unit so that the variable of habitable settlement (Y) will increase by 0.333. A variable coefficient of BSPS program has value (+) which means those two variables have positive relationship. Regression coefficient value of BSPS program variable (X) has significant value by 0.002 (table 1) which is smaller than 0.05, so this result states that BSPS factor has a significant influence on the factor of Settlements Quality Improvement.

Table 1 - ANOVA b

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|--------------|----------------|-----|-------------|--------|-------------------|
| 1 Regression | 236,017 | 1 | 236,017 | 14,658 | ,002 ^a |
| Residual | 209,317 | 442 | 16,101 | | |
| Total | 445,333 | 443 | | | |

a. Predictors: (Constant), BSPS

b. Dependent Variable: Habitable Settlements

Table 2 - Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | ,728 ^a | ,530 | ,494 | 4,013 |

a. Predictors: (Constant), BSPS Factor

To what extent the model formed can explain the real condition or able to explain contribution value can be seen from R squared value or called determination coefficient. According to the output analysis of SPSS Ver.22 (table 2), R squared value by 0.530 means that BSPS program gives a contribution by 53.3% towards habitable settlements variable, while the remaining by 46.7% is explained by another factor.

V. Discussion Of Results

Based on the analysis that has been conducted, BSPS program has a direct positive influence on the quality of habitable settlements. A positive influence of BSPS program that directly affects the quality of habitable settlements is caused by BSPS program improves the quality of settlements and increase people's welfare. In addition to improve the quality of settlements, BSPS program also must maintain several aspects; infrastructure and public facilities around the settlements of the BSPS program beneficiaries. Moreover, the quality of habitable settlements also must consider several aspects, they are: safety, healthy and coziness of the BSPS program beneficiaries. This matter encourages positive influence caused by BSPS program on the quality of habitable settlements.

This is accordance with Qomaria's (2015) research which states that BSPS program gives well enough improvement and effect. That program increases the quality of the settlements and improves the state citizens' welfare. Furthermore, BSPS program with pure grant mechanism is an effort to fulfill the lack of housing need (Juniarko. et al, 2012). Inggriani (2015) concludes that factor of communication, resources, attitude tendency and bureaucracy structure can influence BSPS implementation.

According to the observation conducted by Mbiba and Huchzermeyer (2002), occupant participation in the process of housing development towards the effect of independent housing seems to have an influence, occupants independence results in better and wider housing construction. This is also supported by how much the sense of belonging of occupants is that causes their satisfaction. Another evidence related to the influence of BSPS program on the quality improvement of habitable settlement is also proposed by Carmon and Gayrieli (1987). It compares independent and non-independent housing in Israel which get a conclusion that through independent housing it results in more quality construction, a better relationship with the neighbour, and the

occupants are more satisfied with the result. In addition, people are also encouraged to maintain environment condition. This condition is achieved with very small budget compared to the non-independent housing (Ntema, 2011). The BSPS Program is able to give a direct impact on the improvement of the quality of habitable home. The improved quality is in the physical quality and home environment health. The success of the program cannot be separated from the support and active participation of the low-income communities. The form of support is self- funding and the participation of family members and beneficiary groups in the house building process (Utomo, 2017).

VI. Conclusion And Implication

Considering the result, this research is proven that BSPS program has a positive and significant influence on the quality improvement of habitable settlements in underdeveloped regions. That condition can be seen from the implementation system of independent housing assistance for low-income people that along this time has been run well. Monitoring and controlling activity carried out by the government are continuously done from the stage of planning and implementation. BSPS program was firstly aimed for low-income people but now there are other criteria that should be fulfilled by society if they want to get the benefit from the program: their income must be under the regional minimum wage, having their own land, and being able to provide an independent fund in the process of housing development. BSPS activity was initially under the microeconomic agencies (Lembaga Keuangan Mikro or LKM) which play role as fund channeling, but now the existence of LKM is over. For future activity, it is better to rebuild LKM again which functions as fund channeling and also can be exploited as the extension of the hand of central government to monitor activity performance.

The researchers really expect that this research will be an income to help the central government (The Ministry of Public Works and Public Housing of the Republic of Indonesia) and local government in the event of poverty alleviation that gives impact on the inability of low-income people to have habitable settlements. In addition, this research is also expected to be a reference in conducting a future study related to the backlog alleviation of housing need and development of housing and settlements design in the regional scale.

VII. Limitation And Future Study

BSPS implementation been conducting since 2006 has experienced several changes both from planning stage and performance stage. Implementation system of BSPS performance is well enough, but the execution itself still has many irregularities. There are many cases in which BSPS does not hit the mark. In order to solve the problem, it is necessary to conduct more stringent supervision from the planning stage until execution. In the next, the variable of society active participation and the variable of the amount assistance value can be developed more deeply. This is caused by society's characteristic between one region to another is different. In the determination of simple house model design, society has a different philosophy. Determination of the amount of assistance value must consider the unit price of each region related to the geographic condition. The needs of the amount of budget to build a simple house between one region to another will truly depend on geographic condition.

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