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SQUATTING PROBLEMS

IN

INDONESIA

A Research Study
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A B S T R A C T

Squatter Problems in Indonesia**Moch. Badr Buldansyah**

Most of urban dwellers in developing countries have been squatting too long. This is a phenomenon also characteristic of Indonesia. Big cities like Jakarta and Surabaya attract rural people who migrate because of poverty pressure in rural areas.

The national development programs in Indonesia have resulted in extraordinary economic growth. However, at the same time, these development policies have created some social imbalances which in turn have lead to and maintained the squatter settlement problem in the cities.

This research finds that there are some policies that can be carried out in order to reduce these problems. Possible solutions are derived from both direct and indirect actions. Direct solutions should be associated with the squatters themselves, in which the policies are aimed to improve their condition, economically and socially. Finally, indirect solutions should be addressed to rural development and specifically, the control of unoccupied land. All in all, policies should be carried out both in urban areas where the problem of squatting exists and in the rural areas, being the main source of the problem.

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CHAPTER I

I N T R O D U C T I O N

The rate of urban and population growth has rapidly increased in developing countries. Cities and towns have flourished but rural areas have been left behind. The processes of industrialization and modernization which were linked with economic development and urbanization in the West have split apart in developing countries (Hay, 1977 :104).

The conventional strategy for economic development which emphasizes economic growth in the modern-industrial sector, has led to social and economic inequalities as well as to regional imbalances. Development processes have been carried out at the expense of equity. Investments, either from local, domestic or foreign sources have been encouraged in the cities. Lipton (1988 :40) argues that resource allocation is urban biased and increases inequality. Presently, we are witnessing the exodus of rural people shifting to urban areas in most developing countries. They are forced to come to the cities by poverty pressures and the expectation of a better life in the cities and towns.

The movement is continuing and the cities are growing rapidly. Consequently, several imbalances characterize urban places.

Concentration in metropolitan areas is perhaps the most critical expression of the profound imbalances which characterize the human settlements in almost all the countries of the region. These imbalances are an inevitable consequence of concentration-dependence styles of development (Jordan, 1986 :30).

Urbanization together with industrialization which were

expected to serve a positive role in creating economic wealth, in fact have created many problems in the cities. Squalid residential areas, huge slums and sprawling shanty towns are evidence of the problems.

This study will discuss squatting problems in Indonesia. There are several reasons why I have chosen this topic :

1. Both national and urban population growth are high in Indonesia and employment, housing and other social requirements are pressing needs;
2. As a result of population growth and the development process, urbanization has become a phenomenon which swells and expands squatter colonies within the cities and towns of Indonesia, particularly in Jakarta, the capital city.
3. Many have predicted that rural-urban migration and squatting problems will become one of the most important development and demographic issues of the 1990's (Todaro, 1989 :267).

There are two other reasons. Firstly, I am Indonesian and secondly, urbanization with its squatting problems is an area of interest within the scope of Development Studies.

1.1. Objectives

The objectives of this study are to explore, assess and understand the problems of squatting in developing countries in general and in Indonesia in particular, and to examine the policies or remedies necessary to cure the problem. The study also aims to provide a contribution to the literature on urbanization.

1.2. Methodology and disciplinary areas covered

The study is based on literature and documentary research from material available at Massey University and other New Zealand libraries. It does not aim to test any hypothesis, and is limited to a descriptive and critical analysis of the subject through the application of theoretical points of view to the literature and data available.

An interdisciplinary approach will be used with inputs from development economics, geography, sociology, demography, urban anthropology, and planning.

1.3. Theoretical approaches

Three theoretical approaches will be used in this study : modernization, dependency, and the articulation of modes of production theories. Modernization theory has generally taken a positive view on the role of urbanization in the development process in developing countries while dependency theory has been far more critical. Articulation theory will be used to consider the different types of migration, temporary and permanent.

1.4. The purpose and scope of study

The study will focus on urbanization, development and migration in Indonesia with particular attention being paid to squatting problems and its policies. Therefore, the discussion of this thesis will be organized into six chapters.

Chapter one is an introductory chapter which consists of an explanation of the objectives of the study, methodology and disciplinary areas covered, theoretical approaches and the

purpose and scope of study.

Chapter two consists of a discussion of the literature regarding the process of urbanization. This chapter begins with a discussion of third world urbanization and is followed by a discussion of the theories of urbanization : modernization, dependency and the articulation of modes of production theory. The analysis then considers development and migration, urban squatting, the definition of squatter settlements, causes of urban squatting, infrastructure and services of squatting, and ends with a discussion on squatter housing, conventional public housing and self-help housing.

Chapter three will specifically focus on the nature of spatial development in Indonesia. In this chapter, the discussion will be on regional structures, uneven development and the pattern of migration in Indonesia.

Chapter four concentrates on discussing urban squatting in Indonesia. Within this chapter, the discussion will be focused on, the causes of urban squatting in Indonesia, grouping of squatters in Indonesia, characteristics of squatters in Indonesia and cities or towns which are most affected.

Chapter five will consider possible solutions for squatting problems in Indonesia. The discussion will be about the existing policies, The Kampung Improvement Program and demolition program; possible directions including direct solutions and indirect solutions. Finally, this thesis will conclude with conclusions in the form of chapter six.

CHAPTER II
URBANIZATION :
A REVIEW OF THE LITERATURE

2.1. Third World Urbanization

The most remarkable fact about all postwar demographic phenomenon is the rapid growth of cities and towns in developing countries. This phenomenon promises to loom even larger in the future (Todaro, 1989 :264). When we look at this situation, the first question will certainly be what process of history brought the people to the cities or towns and how and why they are willing to live there.

Urbanization is considered to be closely related to the three main dimensions of change: demographic change, structural change and behavioural change (Walsh, 1978 : 56-57). These dimensions can contribute to the understanding of urban poverty and the growth of squatting.

By demographic change we mean that the main causes of city growth are the natural increase of population (because of the continuously high rates of population growth), the high rates of rural to urban migration, the generally high fertility pattern of the city, and the absence of opportunities to emigrate overseas.

'Most urban dwellers, whether urban migrants or urban born, will be poor' (Habitat, 1982 :2), because urbanization in the Third World is accompanied by low levels of economic growth and lack of employment opportunities. Being mostly poor, they turn to squat on unoccupied and illegal land, and erect shacks for

both living and informal activity purposes. The central question, therefore, is to search for a better housing policy in order that squatters are able to live at least at a standard level of basic human needs.

In terms of structural change from agrarian to industrial society, developing countries have had some different experiences from developed countries. Firstly, in developed countries industrial and agrarian change was contemporaneous, where rural areas eventually benefitted from urban diffusion (innovation, capital and services). By contrast in developing countries, the change resulted in few such "spin off" effects. Regional and rural-urban inequalities increased and have, what Hoselitz calls, a parasitic relationship.

Secondly, unlike industrialized countries where rural to urban migration occurred due to agrarian change and labour surplus, in developing countries the migration process is a safety valve for rural poverty and not a corollary of development.

Finally, urbanization in industrialized countries was contemporaneous with industrialization, a process initiated by a growing class of indigenous entrepreneurs who utilized new resources in new ways, accumulated and invested capital at home and overseas, and created new employment in towns, both large and small. On the contrary, in developing countries, urbanization is generally accompanied by a lower level of capital intensive industrialization, often owned by overseas entrepreneurs and characterized by high unemployment, a large informal sector and little rise in real wages.

The failure to industrialize or, in other words, a change in the economic structure from agriculture to industrial, means that rural poverty in the Third World countries is in no way lessened, and along with population pressure, forces more migrants to the already overcrowded cities.

By behavioural change we mean that the size, density and heterogeneity of cities give an "urban way of life" to the migrants which Wirth (in Walsh, 1978) defines as "urbanism". However, some research shows that traditional behaviour and customs are still maintained by the migrants. Bruner (1963), among others, identifies that the kinship networks of Toba Batak in Indonesia have not been discarded in the urban environment, even though its kinship system changed by comparison with the village as a response to changed conditions in urban Medan.

Third World urbanization has also been characterized by colonialism. New cities in the Third World countries were created by the expansion of European nations and the United States from the sixteenth century onwards (Gilbert 1982 :13). The intrusion of industrial capitalism and imperialism have contributed to urban development where urban areas (particularly metropolitan areas) benefit from technology, employment and economic growth. Thus, Third world cities became part of the world economic system, but with a lower provincial status characterized by marked inequalities. Poverty and unemployment also characterize the cities. Capitalist development in urban areas has transferred rural poverty to cities and towns as Gilbert (1989 :25) states:

Similarly, while levels of unemployment and relative numbers of shanty dwellers have risen in practically all Third World cities, this represents as much a transfer of rural poverty to the urban areas as the

creation of new group of poor.

One of main impacts of colonialism was the emergence of colonial cities in the Third World. Cities of Southeast Asia, with the exception of Bangkok, (McGee, 1967 : 52-75) are good examples of the emergence of colonial cities. The expansion of Western countries in Southeast Asia created and expanded urban, communication, administration, mining and market urban networks throughout the colonial territories.

Apart from their considerable size and growth, these cities had three main features during the colonial period. Firstly, all the great cities of Southeast Asia, with the exception of Bangkok, were founded on the sites of existing settlements and were mainly coastal. Jakarta (formerly : Batavia), for example, was founded on the site of an already existing trading centre.

Secondly, the most important characteristic of these great cities was an economic function by which they acted as the "nerve centres" of colonial exploitation. Within the cities institutions were established to support the colonial economy. As McGee writes (1967 : 56) :

...Concentrated here were the institutions through which capitalism extended its control over the colonial economy - the banks, the agency houses, trading companies, the shipping companies and the insurance companies.

Finally, in terms of urban form, there are three types of colonial town : the grafted city, the planned city and the indigenous colonial city (McGee, 1967 : 65 - 74). Grafted cities were founded as pre-industrial settlements. Colonial rule began to change their character, with the grafting of Western urban forms on to existing settlements. The planned city was the

settlement which was planned away from the pre-industrial settlement and incorporated elements of planning from other colonial areas and the West. Finally, despite Western influences, indigenous colonial settlements were founded which retained their basic character as indigenous cities.

All in all, the economic function of these cities gave and give a paradoxical role to economic development. The excessive specialization in production, technology and modern institutions have brought about a transformation in the nature of these cities. Some writers think that the colonial cities have impeded economic development in the Third World, because unlike in Western countries where urbanization was closely related to economic development and industrialization, in the Third World countries the third world city created or intensified such problems as unemployment, depletion of natural resources, urban congestion, transportation and squatter and slum settlements.

Third world towns are related to first World towns, and their relationship with their hinterlands but, as been discussed above, they primarily serve the interests of the colonial power. The sites, function and forms of the cities supported the "status quo" of colonial control. Therefore, 'the first cities which grew up in Southeast Asia were essentially "transplants" of the European town of the time' (McGee, 1967 : 49). Batavia as the capital of the Dutch in Indonesia illustrated this kind of European transplant.

Consequently, the common situation of the Third World was that :

they share the same problems of rapid city growth experienced by other cities of the Third World; the

economic problems of unemployment, unbalanced occupational structures, poverty and inequality of incomes; the social problems of the in-migrant and the problems of adjustment to city life which so often lead to delinquency and crime; the physical problems of overcrowding in tenement slums and burgeoning squatter settlements, and the administrative problems of establishing efficient urban services in the face of this urban explosion (McGee, 1967 : 27).

The most prominent feature of the relationship between cities and their hinterlands or rural areas is their economic interdependence, however, this interdependence is characterized by inequality of income and exploitation. Many would argue that regional imbalances are prevalent in Third World countries. McGee (1967 : 62) among others argues that :

The growing differential in income between city and countryside would attract the rural migrant to the city In fact the structure of the colonial economy of Southeast Asia did not permit the cities to be 'generative' of economic growth. The colonial city still remained economically subordinate to the metropolis and world trade.

These imbalances are worsened by exploitative relationships between urban and rural areas where the surplus that remains in the rural areas (as the dependent region) does little to stimulate development (Roberts, 1978 :14).

These are the imperative features of Third World cities which at the beginning of their existence were presumed to be centres of change by which urbanization and industrialization would act as the "agent of change". However, the development pattern of the Third World city was different from the First World experience. The rapid growth of the Third World cities led to the incapability of their government to provide adequate housing and many city dwellers are forced to live in squatter settlements.

2.2. The Theories of Urbanization

There are at least three main schools of development thought which have a bearing on explanations of urbanization : Modernization Theory, Dependency Theory and Articulation of the Modes of Production theory.

2.2.1. Modernization Theory

This theory arose after the Second World War and dominated the analysis of development in the 1950's and 1960's. Friedman is one advocate of modernization theory. He believed that cities are the centres of change,

...cities were organizers of economic, cultural, and political space. They were also centres of innovation, environments of opportunity, and seedbeds of democratic change. The progressive development of a system of cities would further lead from imbalanced to balanced spatial system from urban enclaves to the complete modernization of the national society, and from partial to the total spatial integration. All in all, it was happy view based on the premise that 'underdeveloped' countries would want to be 'developed' in the sense of becoming more autonomous, more affluent, and more spatially integrated national societies (Friedman and Wulff, 1975 :35).

Within modernization theory, sectors are divided into traditional and modern. Based on this notion of duality, development could only be achieved if the modern sector was encouraged to grow. The change from traditionality to modernity would occur through the diffusion of capital, technology, values, institutional arrangements and political beliefs from the modern (west) to the traditional society (Slater, 1986 :9).

The theory also considers that industrialization caused urbanization and vice versa (Hay, 1977 :83). Both are important elements for change from traditional to modern society.

Therefore, some thirty years ago, economic development and urbanization would subscribe to the industrial development which requires a population with higher skills, literacy and inventiveness than does agricultural production. In order to attain such development the modernisation theorists suggested a process of modernisation which allows the diffusion of ideas and technologies from developed countries throughout the underdeveloped ones, as Weber (1990 : 54) summarizes :

.... this process of 'modernisation by diffusion' should encourage the development of a number of features in the Third World, including urbanisation based on nuclear family household, educational growth for literacy and training, the development of mass media to disseminate ideas and encourage increased awareness about society, heightened political awareness and participation in a democratic system, increased business opportunities through providing capital for investment, the replacement of patterns of authority based on traditional loyalties (for example monarchies, local chiefdoms) with a rational system of law coupled with representative national government.

Traditionalism was seen as an obstacle to development. Subsequently, within the modernization process, individualism, rationalism, materialism, and monetarism should be encouraged in order to undermine that obstacle; and cities were perceived as the best place for this to occur. Indeed, they were seen as centres for change and development. Consequently, all facilities that were needed for development such as education, health, investment, commerce and others were concentrated in the cities. Cities were the progressive catalysts in the development process.

In terms of regional development, modernisation theorists did not reject the existence of disparities or inequalities among regions or between the core and peripheral areas. However, they believed that such situations would be balanced by the flow of

resources from surplus to deficit areas through polarized development in core regions, as Friedmann maintains :

.....it is customary to emphasize that any welfare disequilibria that may result from differential location behaviour of economic activity will be ultimately be restored to balance by compensatory flows of labour (and capital) from "surplus" to "deficit" regions. That, in brief, is the substance of contemporary regional growth theory; the theory of polarized development goes considerably beyond it (Friedmann, 1973 : 56)

However, in altering to facilitate development, this polarization strategy has led to continued and increasing regional disparities and has forced governments of the Third World countries to search for strategies of regional decentralization.

"The growth pole or growth centre" strategy (Lo and Salih, 1978 : xiii) was then adopted, firstly, to decentralize industrialization and modern technology to benefit rural areas, and secondly, to solve regional underdevelopment problems. The agglomeration economies concept and "trickling down effect" as well as the "spread effects" notion were considered able to reduce planning problems and integrate all regional economies to the long-run benefit of the entire country and its people.

The universal appeal of the growth pole approach is amazing yet understandable. Under the growth-through industrialization paradigm and the limiting conditions of capital and planning resources scarcities, the approach provides the opportunity to reconcile the goals of equity and efficiency considered central in regional allocation of investments. The theory's intuitive appeal rests on its two major conceptual pillars. First is the notion of agglomeration economies, which will induce concentration of propulsive industries in particularly advantageous locations in which their mutual industrial attractions and sharing of infrastructure facilities will minimize costs in a cumulative fashion to lead to self-sustained growth of the urban centre. Second, the rapid growth of the urban centre is supposed to eventually induce spread effects into the peripheral areas of the region in

which the growth centre is located (Lo and Salih, 1978 : xii)

These are the schools of thought and development scenarios which have dominated much of the analyses and concepts of development over the last two decades. Within this vision, development should increase the sharing of decision making, increase the control of resources, increase the spatial distribution of power, increase the economic activities of the hinterland and increase diffusion of the innovation and influence of the cities into rural areas.

However, the theory does not adequately describe the Third World reality. Cities in the Third World countries emerged from different conditions from those of the now developed countries. They have generally failed to act as the centres of positive change and as catalysts of transformation, instead they have served to maintain the backwardness of rural areas. Hay (1977 :105) describes their typical role :

Industrialization has not accompanied urbanization and many now doubt whether the wide-scale substitution of industry for agriculture is wise or even possible. Population growth, as well as subordination of agriculture to the monoculture demands of the world market which often require less labour, has led to a massive migration from rural areas without a commensurate expansion of employment opportunities in the cities. ... the role of cities as a generator of change and as a fertile source of ideas and innovation exported to the countryside has failed to materialize. Indeed, the most frequently observed scenario is an almost complete reversal of this role; the major cities serve chiefly to drain the resources of the countryside.

The apparent shortcomings in modernization theory led to a reconsideration and redefinition of development, and the emergence of dependency theory. Initially introduced by Latin America's social scientists, it was a major critique to

modernization theory.

2.2.2. Dependency Theory

Dependency theory was initially developed by intellectuals involved with Latin America at the end of the 1960's. The theory was proclaimed because of the apparent failure of modernization theory in addressing and explaining development problems in developing countries. It rejects the notions inherent in modernization theory which presumed, first of all, that developed countries' development and developing countries' underdevelopment were separate phenomena; and second, that Western contact and influence was necessarily beneficial for developing countries (Slater, 1986 : 11). Development was seen as an interdependent process with no single path to success. The framework for analysis became that of the economic interdependency of nations and of regions within nations (Roberts, 1978 : 1-35).

Andre Gunder Frank, the most popular dependency theorist, emphasized the siphoning off of surplus from poor to rich countries as the key point to explain the existence of underdeveloped countries. He categorized the world capitalist system into a "metropolis-satellite" structure, where the metropolis exploits the satellite. The exploitation is created by monopoly structures at all levels, i.e. the international, national and local level, which in turn siphon off surpluses from the satellite to the metropolis (Blomstrom, and Hettne, 1984 :67).

Within dependency theory, the concept of "core-periphery"

is also used to express the structural relationship between developed countries as the advanced capitalist (core) and underdeveloped countries (periphery). In terms of regions within nations, this concept can also be seen as the connection between urban centres of industrial capitalism and the rural hinterland of the regions. The dependency theorists argued that the core exploits the periphery through the penetration of capitalism which leads to the dependence of the periphery; and consequently, the different economic conditions which occur between regions. A clear statement is to be found in Armstrong and McGee (1985 :21) when they write :

The principal difference between economies of the centre and the periphery lies in the nature of the development dynamic which arises as a consequence of internal forces within the core societies but not the peripheral societies. Consequently, the developed societies are able to exercise significant influence over development in the periphery.

Thus cities as development poles exploit their hinterlands or rural areas. Jakarta and Surabaya, two primary growth centres in Indonesia, are examples of such exploitation. Capital accumulation which is encouraged in these cities has led to unequal exchange with other regions and with their hinterlands. Exploitation occurs through in part the appropriation of a greater volume of surplus from the employment of low-paid wage labour. But these cities themselves are also exploited by cities higher up the hierarchy outside Indonesia through the process of exploitation which Armstrong and McGee (1985 : 56) call "the world capitalist hierarchy" :

The national cities dominate within their countries, acting both as focuses for national accumulation and as links, through transnational enterprise, to the

global centres. While the national metropolises are often the capitals as well as being the large centres in the country (such as Santiago, Chile) they may be large urban agglomerations without formal national capital functions, such as Guayaquil, Ecuador or Surabaya in Indonesia. These national cities interact and influence regional centres and then regulate the countryside through a system of intermediary centres.

What is the connection between dependency and urbanization?

In her introductory chapter, Safa (1982 :3) states that dependency will lead to the penetration of capitalism in the Third World which causes "dependent" or peripheral capitalism. This will cause the problems of hyper-urbanization in the Third World cities. She argues that the global capitalist economy and dependence on advanced industrial societies have been lately entered by Third World countries which causes different patterns of urbanization to emerge. Dependency studies analyze situations in which rapid urbanization is accompanied by marginalization of the poor (Portes, 1977 :122).

The problems associated with urbanization are conventionally formulated by dependency theory as underemployment, housing shortages and marginality. These problems can only be resolved through the breaking of dependency relations and the initiation of a process of radical structural transformation (Slater, 1986 :12).

2.2.3. The Articulation of Modes of Production Theory

The notion of the articulation between two modes of production was recently used by Walsh (1992 : 201-203) to explain two types of migration, temporary and permanent migration, in Melanesia. He states :

Temporary circulation is seen to be most associated with the lower circuit based in the pre-capitalist mode of production and permanent migration is most associated with the upper circuit based in capitalist mode. The interaction of the two migration streams is considered most readily observed in mobility into and between urban housing and other settlement types which are, in themselves, visible spatial expressions of the relative importance of the differential impact of two modes of production and subsequent class formation.

In an attempt at explanation of the status of circular migration in the evolution of Melanesian towns, Walsh (1992 : 204-210) shows a model of five phases : *incipient urbanization, pre-independence town, pre-independence city, post-independence city and futuristic city.*

The incipient town is characterized by the domination of pre-capitalist modes of production, and the arrival of capitalist modes to begin establishing formal sector activities. Circular migrants who are work-oriented characterize this phase and their employers provide their housing. The pre-independence town is far larger than the former phase; its functions are more diverse and housing stock is more varied. Temporary and circular migration are still predominant, but permanent migration begins to be evident in low cost and labour housing, and some movements from the labour lines into squatter areas fringing the towns begin to occur.

In the post-independence town phase, the rate of rural to urban migration increases since the urban economy is booming. The levels of both temporary and permanent migration increase, and temporary migration is tied closely to the fortunes in the formal sector. At the phase of post-independence the city is larger, diversity of economic function is greater, and mobility is more

diverse than in the pre-independence town. Mobility focuses almost entirely on the city and most migrants are attracted to kin in formal housing areas. Squatter areas are not a primary destination for the majority. Permanent and circular migration are irretrievably connected to the modes of production which spawned them.

Finally, in the futuristic city model, commuting becomes the major form of urban mobility. Ethnic heterogeneity increases and in most areas distinctive cultural identities are lost. The distinction between some low cost housing and squatter areas decreases with the upgrading of several mainly peripheral squatter areas.

2.3. Development and Migration

A main characteristic of Third World urbanization is rural to urban movement. Before discussing this phenomenon, we shall briefly comment on Third World countries and their significant dependence on agricultural production (Todaro 1989 :27). With most of the population and labour force concentrated in rural areas, most of the main economic activities are based in the agricultural sector. About 65 percent of the total population of Less Developed Countries in 1988 lived in rural areas and about 62 percent of the labour force was in agriculture (see Table 2.3.1). By contrast, in developed countries only 27 percent of the total population lived in rural areas and only 7 percent of the labour force was employed in the agricultural sector.

However, the rural and agricultural sector has been neglected by capitalist development. Orthodox development

strategies were not focused on investments in rural areas. Governments of developing countries concentrated their development efforts on industrialization in urban areas. Safa (1975) identifies the situation as such:

Scarce government resources are poured into industrialization and the urban infrastructure needed to support it - roads, ports, plants, hydro-electric power, as well as to other amenities such as housing, schools, hospitals, etc, all concentrated in the urban areas.

Table 2.3.1. Population, Labour Force and Production in 1988 : Developed and Less Developed Regions

	Population (millions)	Urban (%)	Rural (%)	Labour force in agriculture (%)
World	5,128	45	55	45
Less Developed	3,931	35	65	62
Developed	1,198	73	27	7

Source : Todaro, MP (1989 : 40)

Lipton claims this is a result of "urban bias", where developing countries implement unbalanced investment, tax and pricing policies, disproportionately favouring urban areas, which has led to a disparity between rural and urban areas with respect to consumption, wage and productivity levels. (Bradshaw 1987 : 224).

The result of such policies is an exodus of rural people to towns and cities in most developing countries. Initially, industrialization was expected to absorb the labour surplus from rural areas as in developed countries. But the emphasis on industrial modernization, technological sophistication and

metropolitan growth created a substantial geographical imbalance in economic opportunities (Todaro, 1989 :267), the influx of rural people to urban areas and massive urban unemployment problems. It is the failure of Third World cities to industrialize and confer the benefits of industrialization to rural areas which has been a major cause of rural to urban migration and the squatting problems in the cities and towns.

By the turn of this century, it is estimated that more than 50 percent of the worlds population will live in urban areas. Urban areas in developing countries are growing rapidly at an overall rate of 3.5 percent a year. This rapid urban growth is a new phenomenon with growth increasing almost exponentially :

At the beginning of the nineteenth century, about 3 percent of world population lived in urban places, this figure rose to about 15 percent by 1890, presently stands at about 40 percent and is expected to reach 50 percent by the end of this century (Hay, 1977:71).

This phenomenon has been given considerable research emphasis, as Mollett (1991 :1) writes :

An immense amount of work has been carried out into the relationship between economic development and migration from rural areas to cities and towns, particularly in the last fifty years or so. This is as it should be, as this movement of people world-wide is largely based on the assumption of a shift away from rural poverty to higher-paid urban jobs, and thus to a better distribution of working people.

This sentence in the introductory chapter of Mollett's book (Migrants in Agricultural Development) shows that a tight relationship is assumed between economic development and rural to urban migration in developing countries. As mentioned in earlier sections, the conventional economic development strategy

endorsed by the modernization paradigm led to rural-urban inequalities which gave rise to an exodus of people from rural to urban areas. According to orthodox economics, urban growth will positively enhance the total output of society, and increase economic growth (Bradshaw, 1987 :225). Rural-urban migration should, therefore, be encouraged to modernize and industrialize society.

Industrialization and urbanization in European countries was characterized by shortages of labour (Dwyer, 1971 :259). This is not the situation of developing countries. Dwyer argues that in South-east Asia even a small increase in industrial development may cause disproportionate urban growth. Developing countries are now experiencing continuing rates of rural to urban migration which far exceed the rates of job creation, and surpasses the absorption capacity of both industry and urban social services (Todaro, 1989 :274).

2.4. Urban Squatting

The continued shift of rural people to cities and towns has shaped urban settlement in developing countries. Most arrivals to urban areas become urban squatters. They are forced to occupy land illegally because they lack the means to obtain a piece of legal land, or shelter whether as home owners or tenants. They escape from rural misery to expect a better life in the cities and towns, but lacking skills, they are trapped in the same or even worse conditions in urban areas. Some would say that the cities are 'sick' today. The incredible achievements of economic growth and stunning physical development of the modern cities co-

exist with massive urban poverty. Yet, despite the sickness of urban life, the city is still considered "the land of hope" by depressed rural people. The squatter, slum and street sleeper population of the Third World city continues to increase and expand the urban limits.

It is estimated that urban growth in underdeveloped countries is 'at an accelerating rate of up to 8 percent annually which means cities are doubling their population every ten to fifteen years' (McGee, 1971 :14). Urban growth occurs due to both natural increase and migration. In cities which cannot adequately accommodate urban dwellers squatter settlements form in response to urban growth and development, and they grow at faster rates than the cities as a whole.

Most squatters are "urban-born" and not migrants because 'migration accounts for only a part of urban population growth, the remainder being due to natural increase' and 'the birth rate in squatter settlements might be proportionately higher'. (HABITAT, 1982 : 23).

2.4.1. Definitions of Squatter Settlements

Urban squatter settlements are commonly defined as illegal occupations of urban land (Juppenlatz, 1979, and United Nations Centre for Human Settlements, 1982, for example). Squatters use their own initiative to build shelters which are often of extremely flimsy construction on unoccupied urban land. Households often lack basic urban services such as safe water supply and sewers. Squatter settlements are usually located close to the Central Business District (CBD) and at the edges of cities

(Walsh, 1992 : 208). Illegality and inadequacy combine to define squatter settlements.

2.4.2. Causes of Urban Squatting

There are two schools of thought on the causes of urban squatting in the Third World (Walsh, 1980 : 341). Firstly, the cause is seen to lie in an imbalance between the demand and supply of housing for the urban poor. The demand for housing is unable to be supplied in cities at prices the poor can afford. According to the advocates of this school, there are three kinds of solution : a reduction in the rate of rural to urban migration or resettlement of squatter settlement on the urban periphery; an accelerated construction of 'low cost' housing; and 'progressive development', facilitated by more flexible building regulations and greater reliance on the self-help activities of the poor themselves.

The second, dependency or neo-Marxist school, sees squatting and problems of housing as only one manifestation of national, regional and urban imbalances caused by the type of urbanization that is occurring in most developing countries. The advocates of this school see that the solution should be through the radical transformation of society.

2.4.3. Infrastructure and Servicing of Squatter Settlements

One survey of slums and squatter settlements carried out by The United Nations Centre for Settlement (Habitat) in 1982 found that regarding infrastructure and services, slum and squatter settlements often lacked adequate public utilities and services.

According to the survey, ten elements were identified as infrastructure and services lacking in squatter settlements in different countries in the developing regions of Asia, Africa and Latin America. Included were; water supply, waste disposal, health facilities and conditions, education facilities and services, household energy, circulation networks (roads, paths, walkways and public spaces), transportation, market and shopping, religious centres and recreation patterns and facilities. This infrastructure and services cannot be afforded by squatters because of their low income. Should governments wish to improve the quality of life for squatters, these ten elements should be considered.

2.5. Housing

The housing problem in Third World cities cannot be denied and is highly visible. Hay (1977 :291) indicates :

The most visible problem Third World cities face is the need to provide decent, sanitary, attractive housing for their growing populations. Certainly, this is the issue on which many writers focus and concerning which there seem to be the most active public programs. The association between housing problems and Third World cities is very strong. The topic of urban centres in Asia, Africa or Latin America conjures up immediately images of agglomerations of make-shift shacks, bulging with families, unpaved and puddled paths, people cooking, doing laundry, etc. out-of-doors, and everywhere salvage and garbage.

As cities continue to grow, the problem of housing shortages becomes more evident and it is necessary to look for possible solutions. There are two broad options which could develop into possible solutions. First, allow the unsatisfied need to express itself in squatter settlements without any intervention from the

state. This, in my opinion, is morally irresponsible since the squatters, whoever they are, are still human beings and citizens of the nation who have basic human needs and rights. The second option adopted by governments has been state intervention through the strategy of "conventional public housing" and "self-help housing" which includes "site and services" and "upgrading" of squatter settlements.

2.5.1 Conventional Public Housing

By conventional public housing we mean the state undertakes to build houses and then either rents or sells them to the urban poor. There are several problems in this approach for both squatters and the state. The first problem is that the cost of this conventional housing cannot be afforded by the poor or even by the government. Although housing projects are undertaken on a large scale (Angel and Benjamin, 1976 :21) which is presumed to result in cheap prices, costs are high due to the high cost of administration and organization as well as the costs of inexperienced management in developing countries which have to be added to the selling price. In the long run, the costs are also expensive because their management and maintenance costs are high.

The second problem is that conventional public housing may be located at sites too far from places of employment, adding the cost of transport to the hardship on the squatters. For those whose income is derived from the informal sector within their settlement or the CDB, relocation also means the removal of income.

Thirdly, the size of public expenditure for public housing would need to be very large. It is known from the survey held by HABITAT (1982) that in the 1970's between 17 and 60 percent of most Third World urban populations consist of slum and squatter dwellers. In view of the low Gross National Product (GNP) of Third World nations, the amount of GNP available for housing may be grossly inadequate, and would house only a small percentage of the total squatter population.

Finally, Turner (1968) shows that the newly arrived migrants tend to locate among their kin and family. The social networks of kin and family provide security, assistance in time of crisis, and information which facilitates the process of adaptation in the new environment. Social networks are vital for the poor whose economic and social needs are great but the means to gratify them are minimal. Relocating squatters into public housing may actually destroy this important social and economic support system.

2.5.2. Self-Help Housing

The self-help housing strategy is seen as the best solution to the problems of urban poor housing [Turner (1972), Dwyer (1972) and Gilbert (1986)]. Their approach is essentially that of the "False Paradigm School". This paradigm is less extreme than the dependency school and holds that the housing problem is worsened by inappropriate advice provided by well-meaning but uninformed "experts" whose sophisticated concepts, elegant models and complex methods of analysis cannot lead to appropriate policies. The false paradigm position is a modification of

modernization thinking.

According to Turner and others, the best solution to the squatter housing problem is "self-help", and positive intervention by the state is necessary. Instead of neglecting the needs of the squatters or demolishing squatter settlements in the effort to replace such housing with conventional forms of accommodation, as occurred in the 1960's (Gilbert, 1986 :175), government should provide sites and services and actively participate in upgrading (Gilbert, 1981 : 103 - 7).

The advocacy of such intervention stems from the believe that squatting is due to shortages such in urban land, the shortage of capital (material and money), shortages in building skills and labour, shortages of managerial skills, and inappropriate building codes. No attention is given to the structural causes of poverty. Self-help and upgrading programmes appear helpful and suitable approaches for the following reasons (HABITAT, 1982 : 7) :

(i) The burden on public funds can be considerably less than for public housing and relocation, if upgrading programmes are designed using principles of affordability by residents and the mobilization of popular action;

(ii) The provision of security of tenure and access to credit and people's participation in terms of saving and labour can be mobilized and directed to upgrading activities;

(iii) There are political and practical reasons against relocating total communities on the scale that is common in most cities;

(iv) Given the precarious nature of informal-sector activities (community dependency, location, etc.), relocation removes people from employment sources and reduces their capacity for economic survival; it is hard to imagine how informal-sector activities can survive in public housing and apartment blocks;

(v) Social and economic survival of slum and squatter communities depends to a large extent on community organization and neighbourhood relationships. Relocation and public housing destroys the social fabric of poor urban settlements (UNCHS, 1980).

Self-help housing programmes with their site, services and upgrading programmes were widely accepted by most Third World countries in the 1970's (Gilbert, 1981 : 104), but the programmes did not remedy all problems. The report of programmes implemented in Nairobi, Tanzania, Papua new Guinea, Bogota and in Kuala Lumpur as Gilbert (1981 : 104) cited from Wegelin is that 'the experience ... has not been a very happy one'.

It seems that there is no single solution that can be applied to combat squatting problems. Neither conventional nor self-help housing can provide the whole solution. Another way which is able to touch the root causes of squatting should be sought. Rural development could be an important avenue through which to eradicate urban as well as rural poverty.

In addition, for those who are already in the cities, policies should be found to promote their productivity and create job opportunities. A policy in lowering the rate of natural increase and how they will be housed are also approaches necessary to pursue.

CHAPTER III

SPATIAL DEVELOPMENT IN INDONESIA

Indonesia's development program was launched in the late 1960's in the form of a series of five-year development plans (REPELITA). The first REPELITA was designed to achieve socio-political stabilization and to reconstruct the national economy which was at the edge of collapse due to the mismanagement of the previous regime. As a result, Indonesia has made excellent economic progress in which economic growth rates during the period 1970 - 1977 (from the early years of REPELITA I towards the end REPELITA II) accounted for 7.7 % on a yearly average (Kian WIE, 1983 : 8). In order to perpetuate this momentum, the government has reemphasized an industrialization policy in the next series of REPELITA. However, while tremendous economic growth was experienced, the policy has also resulted in sectoral imbalances as well as regional imbalances. As Knapp and Kim (1992 : 134) comment : 'much of this growth has centred around DKI Jakarta and the rest of Java island, while economic growth on other islands has not been as rapid'.

3.1. Regional Structure

There are three problems facing development in Indonesia due to the regional structure of the country (Salih, Pakkasem, Prantilla and Soegijoko, 1978 :81). The first problem is because Indonesia, geographically, has a wide variety of physical and agronomic characteristics of the islands and their accessibility

structure, so regional development is difficult to carry out. Altogether, the country consists of more than 13,000 islands and islets which stretch from the Northwestern tip of Sumatra to the eastern border of Irian Jaya, encompassing a land area of about 1.9 million square kilometres.

Uneven distribution of population is the next major problem in regard to regional development in Indonesia. Java and Madura are the most densely populated islands with 864 heads per square kilometre and Irian Jaya together with Maluku are the least with 3 heads per square kilometre in 1985. Java which occupies only 6.9 percent of the total area houses more than 114 million people, while Irian Jaya and Maluku account for 25.86 percent of the total areas inhabited by only 3.7 million (see Table 3.1.1. and figure 3.1.1.a).

However, although Java is the most densely populated island, it keeps the lowest annual population growth at the average rate of 1.54 % as it is shown in figure 3.1.1.b. The highest annual growth is kept by Sumatra island at the rate of 2.83 %.

Finally, the imbalanced development between Java and the rest of the country characterizes the pattern of regional development in Indonesia. This can be seen from the allocation of the sectoral development budget (DIP = Daftar Isian Proyek) in which more than 50 percent of the total national budget was allocated to Java in the budget year of 1989/1990 but decreased to 48 percent in 1990/1991 (see table 3.1.2).

Although Java receives the highest allocation of the development budget, it has the lowest figure of allocated budget per capita (around eighteen thousand rupiah per capita, see

figure 3.1.2.a). At the same time, Kalimantan received more than forty thousand rupiah per capita. This figure is easily understood because Java is the most populous island, while Kalimantan is the least populous one.

TABLE 3.1.1
POPULATION DISTRIBUTION, GROWTH AND DENSITY
IN THE PROVINCES OF INDONESIA
1983-1993

No:	Province	Area (1000 km ²)	Total Population (million)		Avg Annual Growth (%)	Population Density	
			1988	1993		1983	1993
01	A c e h	55.4	3.2	3.6	2.44	58	66
02	North Sumatra	70.8	10.1	11.2	1.98	143	158
03	West Sumatra	49.8	3.9	4.1	1.02	78	82
04	R i a u	94.6	2.8	3.2	2.73	30	34
05	J a m b i	44.8	1.9	2.3	3.36	43	51
06	South Sumatra	103.7	5.9	6.8	2.74	57	65
07	Bengkulu	21.2	1.1	1.3	3.87	51	61
08	Lampung	33.3	6.9	8.7	4.82	207	263
	S U M A T R A	473.6	35.8	41.2	2.81	76	87
09	DKI Jakarta	0.6	8.8	10.3	3.23	14,922	17,491
10	West Java	46.3	33.1	36.3	1.88	715	785
11	Central Java	34.2	28.3	30.1	1.25	826	879
12	DI Yogyakarta	3.2	3.1	3.3	1.39	972	1,042
13	East Java	47.9	32.5	34.1	0.97	679	712
	J A V A	132.2	105.8	114.1	1.54	800	864
14	B a l i	5.5	2.8	2.9	1.03	495	521
15	West Ns.Tenggara	20.2	3.2	3.6	2.09	160	178
16	East Ns.Tenggara	47.9	3.3	3.7	2.09	69	77
17	East Timor	14.9	0.7	0.8	2.63	47	53
	BALI & NS.TENGGARA	88.5	10.0	11.0	1.84	113	124
18	West Kalimantan	146.8	3.1	3.5	2.47	21	24
19	Cntrl.Kalimantan	152.6	1.2	1.4	2.97	8	9
20	South Kalimantan	37.7	2.4	2.6	1.71	64	70
21	East Kalimantan	202.4	1.7	2.1	3.90	9	10
	KALIMANTAN	539.5	8.4	9.6	2.63	16	18
22	North Sulawesi	19.0	2.4	2.6	1.14	128	137
23	Central Sulawesi	69.7	1.7	1.9	3.17	24	28
24	South Sulawesi	72.8	6.9	7.3	1.07	95	100
25	Stheast Sulawesi	27.7	1.3	1.5	3.26	45	53
	S U L A W E S I	189.2	12.3	13.3	1.66	65	71
26	Maluku	74.5	1.8	2.0	2.47	24	27
27	Irian Jaya	421.9	1.5	1.7	2.79	4	4
	MALUKU & IRIAN JAYA	496.4	3.3	3.7	2.62	7	8
	I N D O N E S I A	1,919.4	175.6	192.9	1.90	91	101

Source : Department of Information. Republic of Indonesia, 1991

Table 3.1.2

Allocation of DIP by Province
1989/1990 and 1990/1991
(in Rp. Million)

No	Province	1989/1990	1990/1991	% Change
01	Aceh	82,533.5	171,890.5	108.3
02	North Sumatra	115,779.6	191,055.8	65.5
03	West Sumatra	61,451.8	102,457.2	66.7
04	R i a u	49,175.7	122,833.2	149.8
05	J a m b i	26,992.6	62,619.6	132.0
06	South Sumatra	77,979.4	143,109.2	132.0
07	Bengkulu	25,269.4	52,499.5	107.8
08	L a m p u n g	36,594.3	95,021.8	159.7
09	DKI Jakarta	699,372.9	1,016,869.0	45.4
10	West Java	163,770.7	291,142.5	77.8
11	Central Java	139,605.1	255,047.4	82.7
12	DI Yogyakarta	31,899.1	63,952.1	100.5
13	East Java	146,205.1	305,104.8	108.7
14	West Kalimantan	40,550.9	103,007.5	154.0
15	Central Kalimantan	28,332.5	65,608.9	131.6
16	South Kalimantan	47,123.0	93,297.4	98.0
17	East Kalimantan	43,573	78,242.5	79.6
18	North Sulawesi	35,193.9	74,389.2	111.4
19	Central Sulawesi	29,630.9	74,633.2	151.9
20	South Sulawesi	70,978.5	138,852.7	95.6
21	Southeast Sulawesi	29,341.9	58,186.0	98.3
22	B a l i	23,027.7	44,488.5	93.2
23	West Nusa Tenggara	31,849.1	67,351.0	111.5
24	East Nusa Tenggara	35,517.8	78,482.4	121.0
25	M a l u k u	27,063.3	79,051.7	192.1
26	Iran Java	38,429.3	157,072.7	308.7
27	East Timor	21,432.9	38,354.0	78.9
	I s l a n d s	1989/1990	1990/1991	% Chg
	S u m a t r a	475,776.3	941,486.8	97.9
	J a v a	1,180,852.9	1,932,115.8	63.6
	Kalimantan	159,579.4	340,156.3	113.2
	Sulawesi	165,145.2	346,061.1	109.5
	Eastern islands	177,320.1	464,800.3	162.1
	I n d o n e s i a	2,158,673.9	4,024,620.3	86.4

Source : Soegijanto Soegijoko, 1992 :75

Figure 3.1.1.a

AREA AND POPULATION DENSITY
IN INDONESIA (1993)

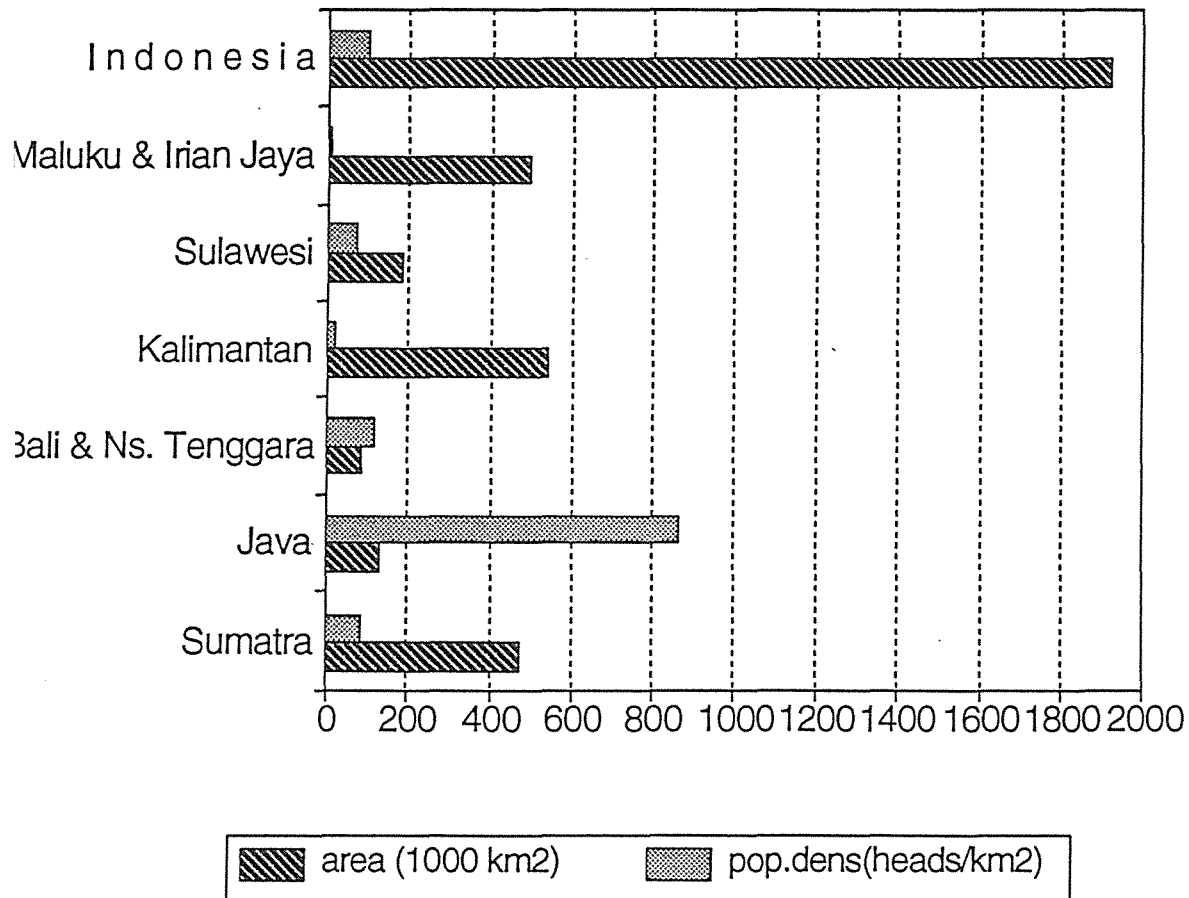


Figure 3.1.1.b

AVERAGE ANNUAL POPULATION GROWTH

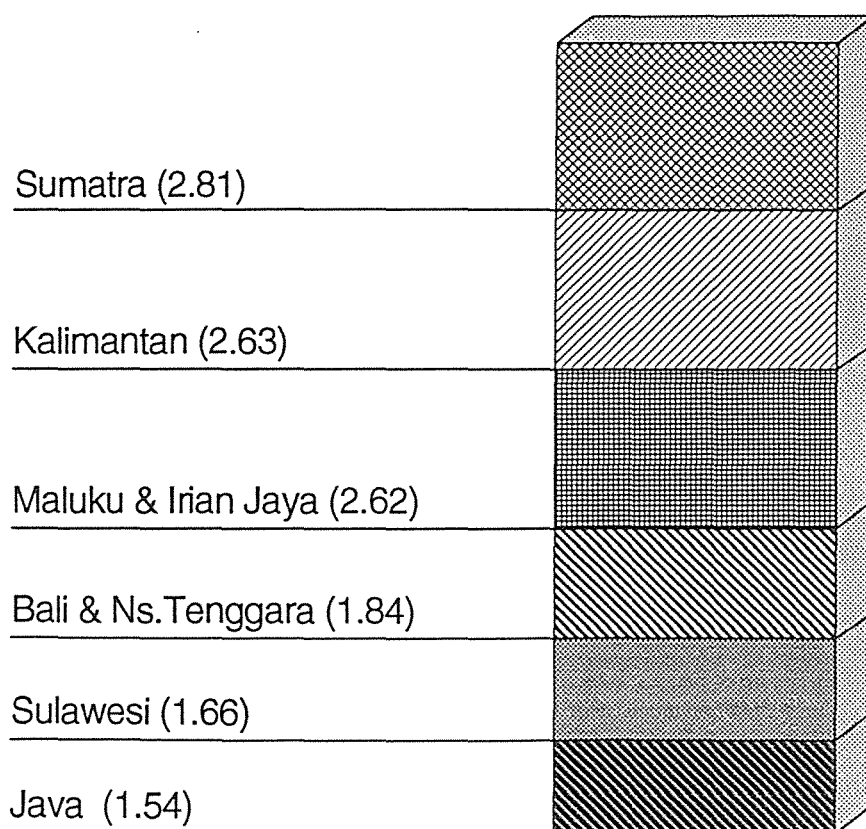
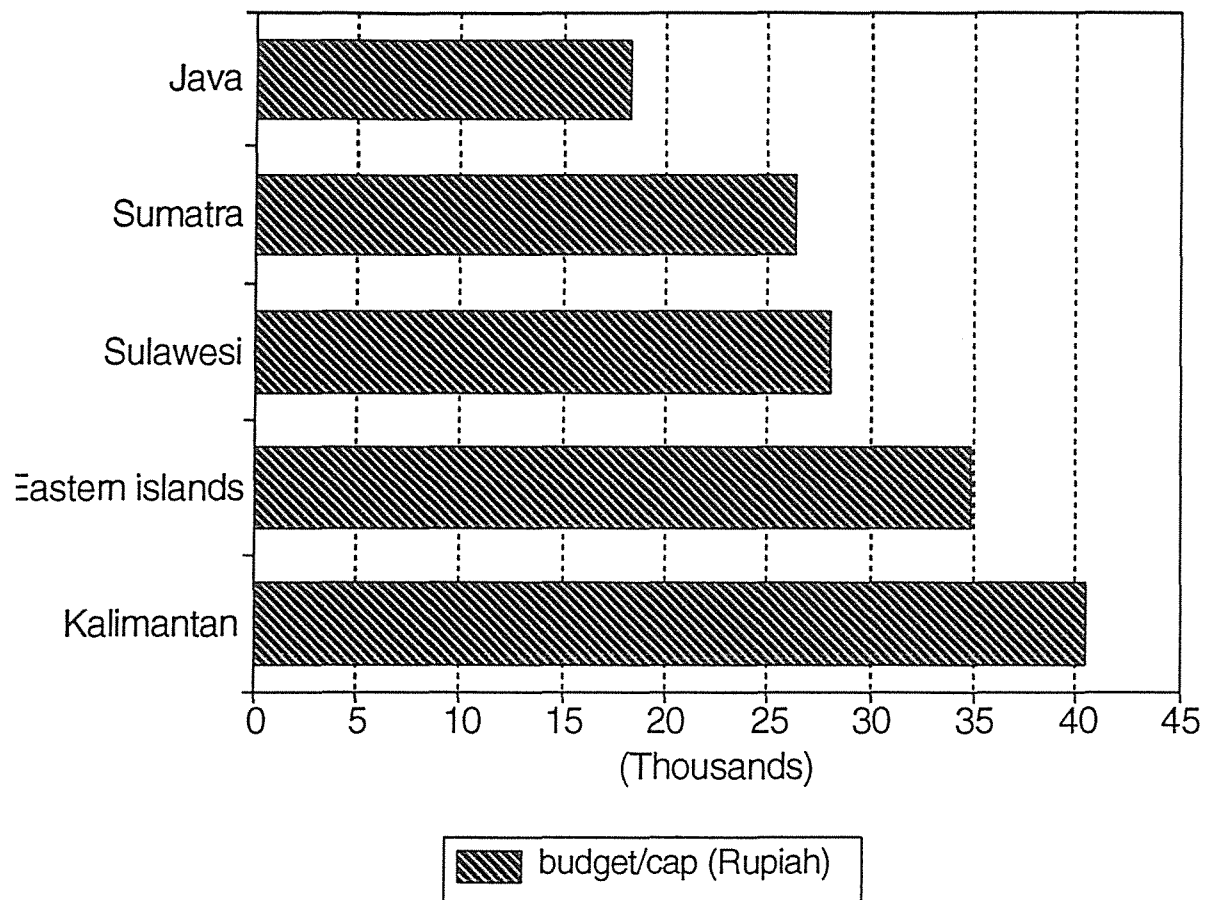


Figure 3.1.2.a

INDONESIA'S 90/91 BUDGET PER CAPITA
USING POPULATION DATA (1988)



3.2. Uneven Development in Indonesia

The core-periphery pattern in Indonesia has remained since the pre-independence period. This pattern implies the existence of places dominated by capitalist and pre-capitalist modes of production. Urban areas, particularly in Java, display the capitalist mode where the core is characterized by a variety of economic activities with relatively advanced production technologies, wage/income opportunities and capital accumulation capabilities. The periphery covering most of the country is typified by a rural economy.

The pattern of regional and rural-urban differentiation in Indonesia can be seen from the pattern of employment by sector in each of the major regions of the country (see Table 3.2.1). It is noted from the Table that manufacturing employment is more dominant in Java and Bali for both urban areas (29.4%) and rural areas (12 %) rather than in other islands. On the contrary, agricultural employment is less dominant in Java and it is also apparent that agricultural employment in urban areas outside Java is particularly high.

The most important feature noted from the Table is that nationally, both manufacturing and service employment in urban areas is more predominant than in rural areas. In addition, these two sectors are much more dominant than other sectors. It can be said, therefore, that manufacturing and service sector employment can much more readily be found in Indonesia's urban areas.

As has been mentioned in the previous chapters, Indonesia is inhabited by many more rural rather than urban people. As employment opportunities are offered in urban areas, the rural

TABLE 3.2.1
PERCENTAGE OF EMPLOYED PERSONS BY SECTOR AND REGION, 1976

Economic sector	Java + + Bali		Sumatra		Kalimantan		Sulawesi		Other Islands		Indonesia	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Agriculture	4.6	67.1	23.7	79.3	15.0	77.5	28.5	73.2	12.6	75.6	10.7	70.2
Manufacturing	29.4	12.0	18.6	6.5	25.1	7.9	21.3	11.8	13.7	9.0	26.3	10.8
Services	65.8	20.9	57.5	14.1	59.8	14.6	50.1	15.0	72.6	15.4	62.8	18.9
Not Stated	0.2	0.0	0.2	0.1	0.1	0.0	0.1	0.0	1.1	0.0	0.2	0.1
Total (%)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Total (1,000)	4,567	28,244	1,283	6,902	437	1,752	500	2,406	112	1,104	6,899	40,408

Source : United Nations, 1981

population migrates to urban areas to follow employment lines. They also migrate from one region to other regions.

3.3. The Pattern of Migration in Indonesia

As has been mentioned above, the pattern of migration in Indonesia is characterized by both rural to urban and interprovincial migration. Table 3.3.1. notes that the total number of migrants in urban areas in 1985 (13,032,938) is greater than those who are in rural areas (11,123,628), while total non migrants in rural areas is almost four times of the numbers in urban areas. This indicates that many more migrants shift to urban rather than to rural areas.

In terms of interprovincial migration, Table 3.3.2 and figure 3.3.1.1 show that more than 10 % of life time immigrants in 1985 are found in the provinces of Riau, Jambi, South Sumatra, Bengkulu, Lampung, DKI Jakarta, Central Kalimantan, East Kalimantan, Central Sulawesi, Southeast Sulawesi and Iran Jaya. It can be analyzed that those provinces have strong pull factors because of :

1. Job opportunities, for example : DKI Jakarta.
2. The provinces which are developing such as Riau, Jambi, South Sumatra, Bengkulu, East Kalimantan, Central Kalimantan and Southeast Sulawesi.
3. Transmigration areas such as Lampung and Iran Jaya.

In terms of destination area, it can be identified that Jakarta is the main province which is visited by the migrants from eight provinces : North Sumatra, West Sumatra, West Java, Central Java, East Nusa Tenggara, West Kalimantan, North Sulawesi

TABLE 3.3.1
THE PERCENTAGE OF MIGRANTS, NON MIGRANTS AND TOTAL OF INDONESIAN POPULATION BASED ON
AGE, URBAN AND RURAL AREAS

1985

A G E	Urban		Rural		Urban + Rural	
	Total	%	Total	%	Total	%
Migrants :						
0 - 9	730,364	5.6	794,280	7.2	1,524,644	6.3
10 - 24	3,796,779	29.1	2,885,328	25.9	6,682,107	27.7
25 - 44	5,406,613	41.5	4,581,831	41.2	9,988,444	41.3
45 - 64	2,541,420	19.5	2,293,602	20.6	4,835,022	20.0
65 +	556,396	4.3	567,520	5.1	1,123,916	4.7
No answer	1,366	0.0	1,067	0.0	2,433	0.0
Total	13,032,938	100.0	11,123,628	100.0	24,156,566	100.0
Non migrants :						
0 - 9	9,783,761	32.6	32,358,367	29.4	42,142,128	30.1
10 - 24	11,158,027	37.2	33,911,068	30.9	45,069,095	32.2
25 - 44	5,752,202	19.2	25,751,938	23.4	31,504,140	22.5
45 - 64	2,599,726	8.7	14,121,218	12.9	16,720,944	12.0
65 +	701,969	2.3	3,747,063	3.4	4,449,032	3.2
No answer	903	0.0	3,980	0.0	4,883	0.0
Total	29,996,588	100.0	109,893,634	100.0	139,890,222	100.0
Total Population						
0 - 9	10,514,125	24.4	33,152,647	27.4	43,666,772	26.6
10 - 24	14,954,806	34.8	36,796,396	30.4	51,751,202	31.6
25 - 44	11,158,815	25.9	30,333,769	25.1	41,492,584	25.3
45 - 64	5,141,146	12.0	16,414,820	13.6	21,555,966	13.1
65 +	1,258,365	2.9	4,314,583	3.5	5,572,948	3.4
No answer	2,269	0.0	5,047	0.0	7,316	0.0
Total	43,029,526	100.0	121,017,262	100.0	164,046,788	100.0

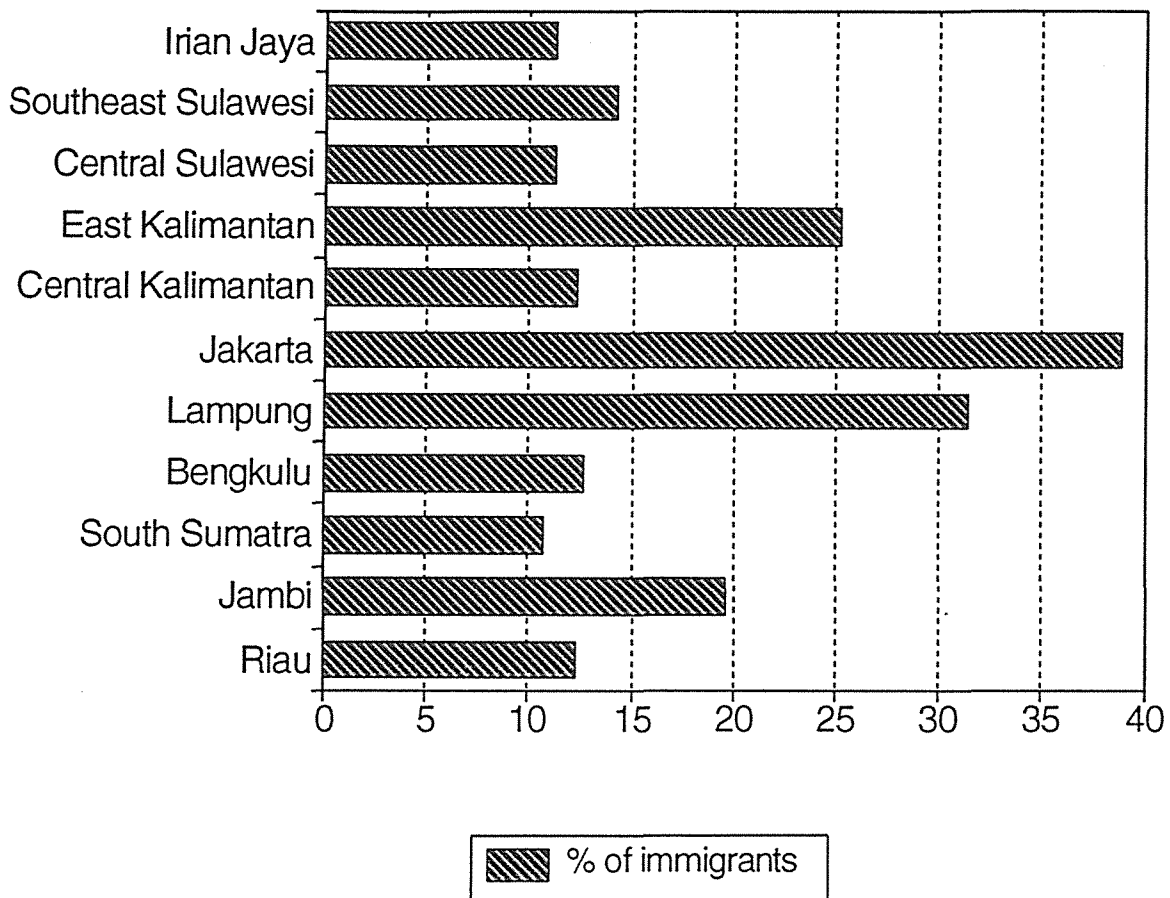
Source : BPS, 1987

TABLE 3.3.2
LONG LIFE MIGRANTS BASED ON PROVINCE IN INDONESIA
IN 1971, 1980 AND 1985

No.	Province	Immigrant			Outmigrant			Net migrant		
		1971	1980	1985	1971	1980	1985	1971	1980	1985
1	Aceh	3.0	5.5	5.4	3.3	4.4	4.0	(0.3)	1.1	1.4
2	North Sumatra	8.0	6.6	5.0	2.9	5.0	6.0	5.1	1.6	(1.0)
3	West Sumatra	3.1	3.9	3.7	11.6	16.4	15.1	(8.5)	(12.5)	(11.4)
4	Riau	12.5	15.9	12.3	2.6	4.0	3.7	9.9	11.9	8.6
5	Jambi	15.6	20.4	19.6	2.7	3.3	2.9	12.9	17.1	16.7
6	South Sumatra	9.5	13.2	10.7	5.8	7.2	6.9	3.7	6.0	3.8
7	Bengkulu	6.9	15.8	12.7	4.8	5.1	4.2	2.1	10.7	8.5
8	Lampung	36.1	38.6	31.5	1.1	1.2	1.9	35.0	37.4	29.6
9	DKI Jakarta	39.7	39.8	38.9	2.9	6.2	7.5	36.8	33.6	31.4
10	West Java	1.7	3.5	4.4	5.5	5.4	5.4	(3.8)	(1.9)	(1.0)
11	Central Java	1.2	1.3	1.9	8.2	12.7	12.3	(7.0)	(11.4)	(10.4)
12	Yogyakarta	4.0	6.4	7.8	10.7	9.2	22.4	(6.7)	(2.8)	(14.6)
13	East Java	1.1	1.5	1.8	2.9	5.5	5.8	(1.8)	(4.0)	(4.0)
14	Bali	1.0	2.6	2.0	2.7	4.8	6.0	(1.7)	(2.2)	(4.0)
15	West N.Tenggara	1.5	1.9	2.0	0.6	1.6	1.4	0.9	0.3	0.6
16	East N.Tenggara	0.4	1.3	1.4	1.1	1.7	1.9	(0.7)	(0.4)	(0.5)
17	East Timor	-	-	2.9	-	-	1.3	-	-	1.6
18	West Kalimantan	1.0	4.2	2.9	1.7	2.9	2.6	(0.7)	1.3	0.3
19	Ctrl Kalimantan	7.1	14.7	12.3	1.6	2.6	3.2	5.5	12.1	9.1
20	South Kalimantan	3.9	6.9	8.0	5.0	8.2	8.6	(1.1)	(1.3)	(0.6)
21	East Kalimantan	5.4	24.1	25.3	3.2	2.8	3.2	2.2	21.3	22.1
22	North Sulawesi	2.8	4.2	3.2	3.5	5.7	6.5	(0.7)	(1.5)	(3.3)
23	Central Sulawesi	5.6	14.4	11.2	3.8	2.6	2.1	1.8	11.8	9.1
24	South Sulawesi	1.3	1.8	1.9	4.7	8.5	8.2	(3.4)	(6.7)	(6.3)
25	SEast Sulawesi	3.6	11.1	14.3	4.3	9.6	6.1	(0.7)	1.5	8.2
26	Maluku	3.9	8.9	7.3	3.4	4.6	5.2	0.5	4.3	2.1
27	Irian Jaya	22.3	8.4	11.3	4.3	1.4	1.9	18.0	7.0	9.4
Total		4.8	6.8	7.0	4.8	6.8	7.0	0.0	0.0	0.0

Source : BPS, 1987

Figure 3.3.1.a

PROVINCES MOST LIKELY TO ATTRACT
IMMIGRANTS IN INDONESIA

and Irian Jaya (see Table 3.3.3). The second province is Lampung which becomes the primary destination area of four provinces : South Sumatra, Yogyakarta, East Java and Bali. East Java is the next destination of the migrants originating from East Nusa Tenggara and East Kalimantan. West Sumatra is the destination area from Riau and Jambi. Finally, South Sumatra is the destination of those from Bengkulu and Lampung (see figure 3.3.1.b, c, d and e below).

Figure 3.3.1.b : The Provinces of Indonesia

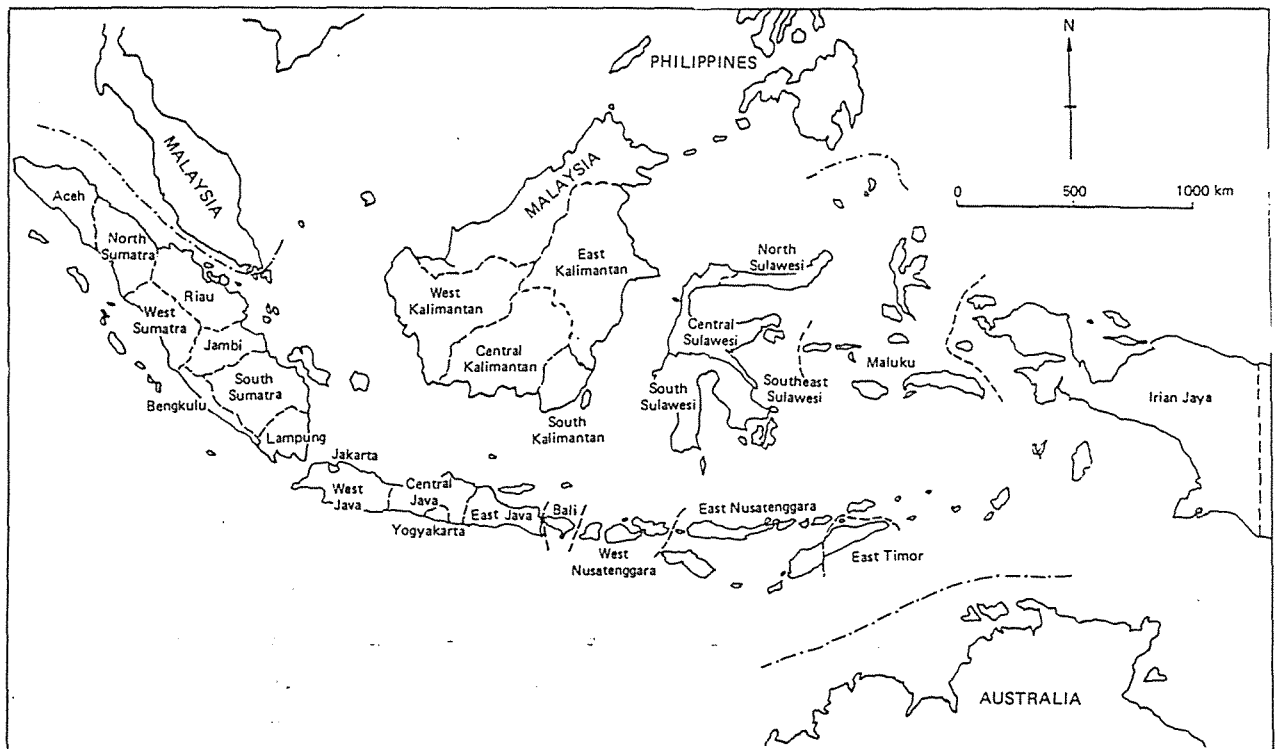


TABLE 3.3.3
INTERPROVINCIAL LONG LIFE MIGRATION FLOW, 1985

No.	Origin	Destination	Total Outmigrant from origin province	Total Immigrant to destination province	total migrant from origin to destination province	% migrant of outmigrant	% migrant of immigrant
1	Aceh	North Sumatra	119,178	485,155	66,171	55.5	13.6
2	North Sumatra	DKI Jakarta	562,885	3,079,693	194,791	34.6	6.3
3	West Sumatra	DKI Jakarta	559,636	3,079,693	159,308	28.5	5.2
4	Riau	West Sumatra	93,745	138,294	19,898	21.2	14.4
5	Jambi	West Sumatra	50,138	138,294	10,368	20.7	7.5
6	South Sumatra	Lampung	368,622	1,861,253	111,572	30.3	6.0
7	Bengkulu	South Sumatra	39,664	576,482	18,652	47.0	3.2
8	Lampung	South Sumatra	112,144	576,482	30,565	27.3	5.3
9	DKI Jakarta	West Java	593,936	1,367,377	391,232	65.9	28.6
10	West Java	DKI Jakarta	1,660,517	3,079,693	983,425	59.2	31.9
11	Central Java	DKI Jakarta	3,305,362	3,079,693	956,256	28.9	31.1
12	Yogyakarta	Lampung	656,190	1,861,253	157,332	24.0	8.5
13	East Java	Lampung	1,822,761	1,861,253	528,287	29.0	28.4
14	Bali	Lampung	159,011	1,861,253	46,627	29.3	2.5
15	West Nusa Tenggara	East Java	42,163	567,143	8,482	20.1	1.5
16	East Nusa Tenggara	DKI Jakarta	58,460	3,079,693	10,455	17.9	0.3
17	East Timor	East Nusa Tenggara	8,112	42,469	6,022	74.2	14.2
18	West Kalimantan	DKI Jakarta	72,646	3,079,693	47,438	65.3	1.5
19	Central Kalimantan	South Kalimantan	35,590	182,663	18,317	51.5	10.0
20	South Kalimantan	Central Kalimantan	195,946	137,971	72,675	37.1	52.7
21	East Kalimantan	East Java	48,115	567,143	10,071	20.9	1.8
22	North Sulawesi	DKI Jakarta	150,142	3,079,693	47,122	31.4	1.5
23	Central Sulawesi	North Sulawesi	31,513	74,819	7,795	24.7	10.4
24	South Sulawesi	East Kalimantan	541,446	384,418	98,826	18.3	25.7
25	Southeast Sulawesi	Maluku	68,628	119,244	34,993	51.0	29.3
26	Maluku	Irian Jaya	83,513	156,756	24,789	29.7	15.8
27	Irian Jaya	DKI Jakarta	25,495	3,079,693	6,313	24.8	0.2

Source: BPS, 1987

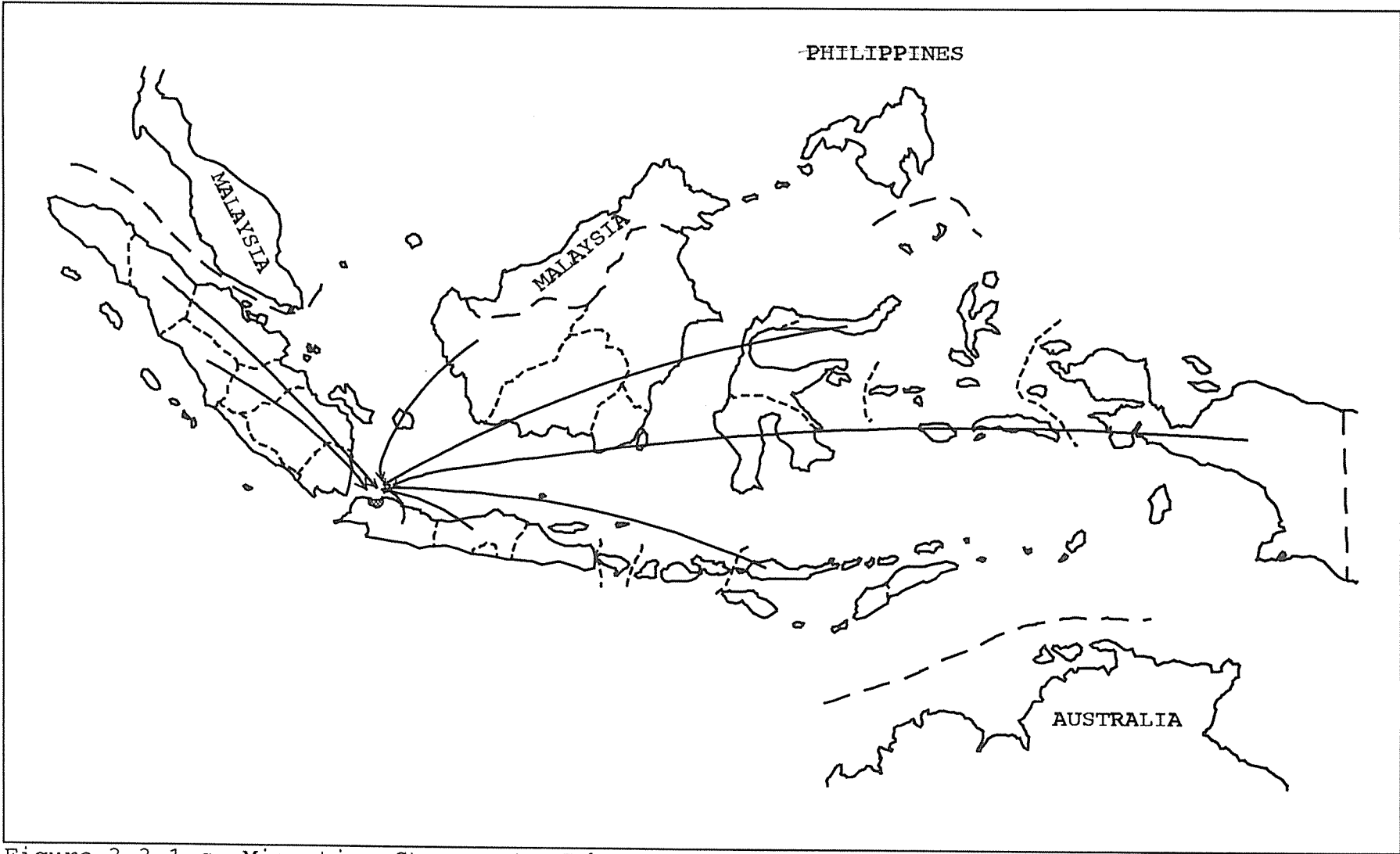
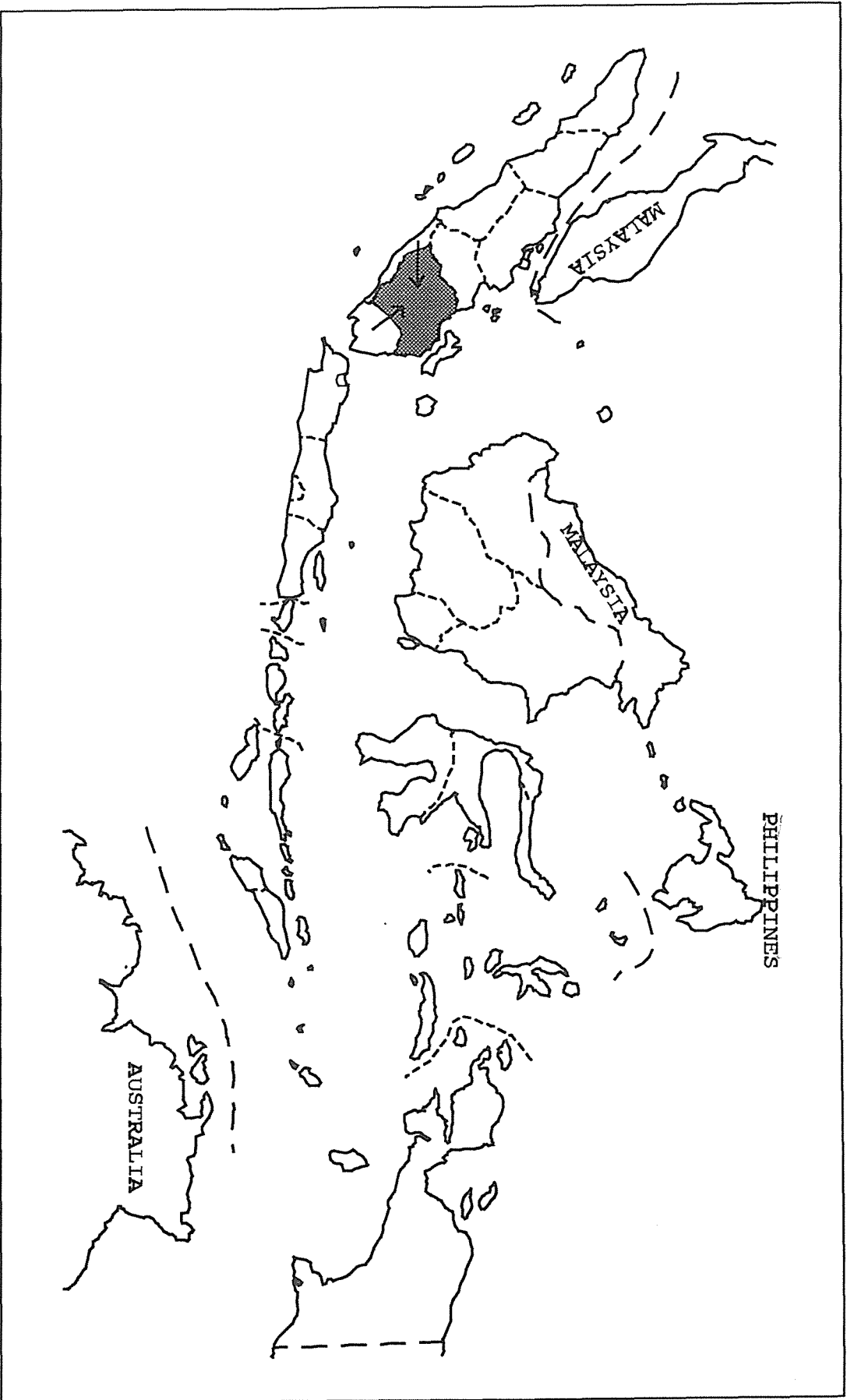


Figure 3.3.1.c. Migration Streams to Jakarta

Figure 3.3.1.d. Migration Streams to Lampung



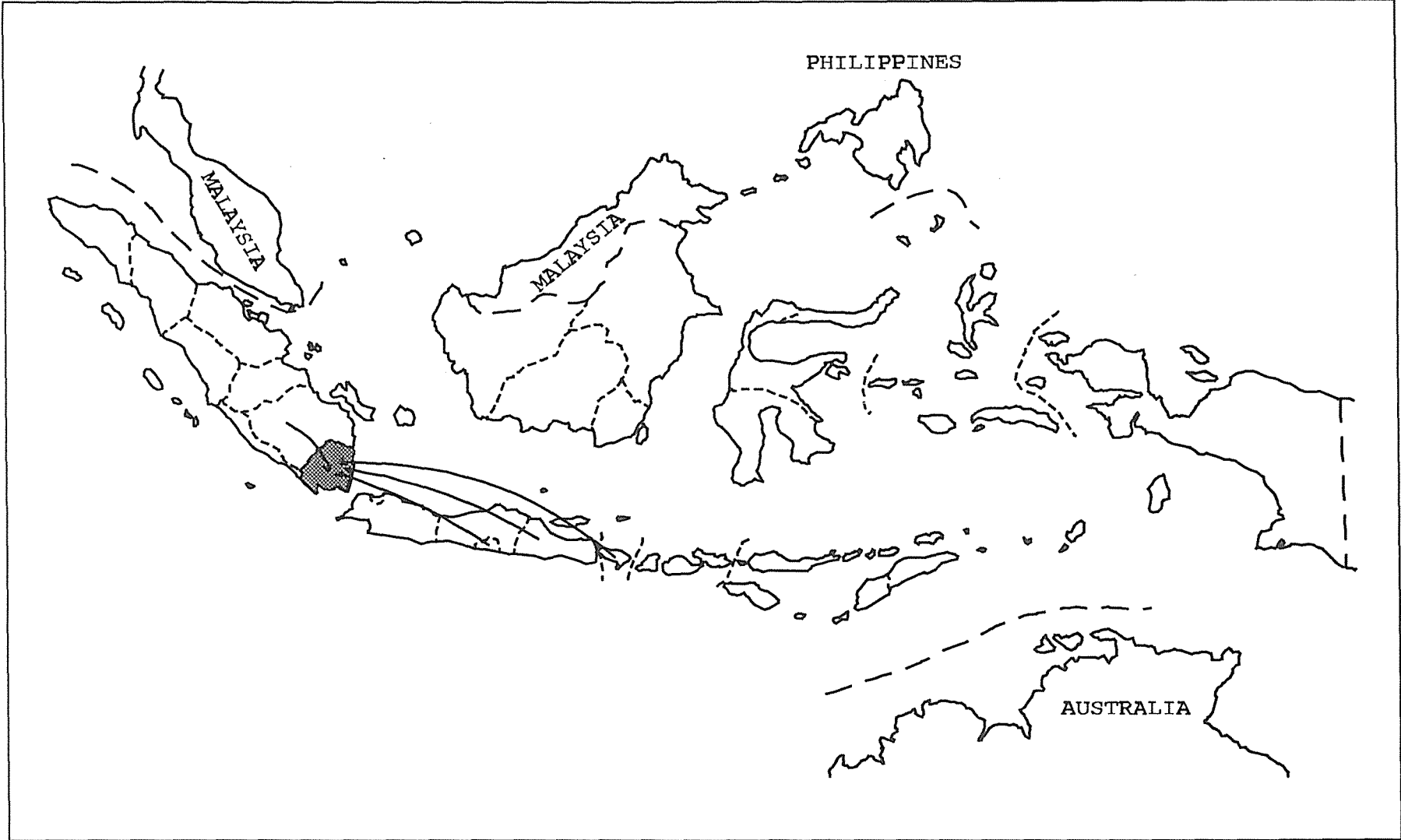


Figure 3.3.1.e. Migration Streams to South Sumatra

Having viewed the pattern of migration in Indonesia, it is obvious that the destination area of the migrants is generally to the nearest provinces, except for Lampung and Jakarta. From the total immigration to all provinces in Indonesia, more than one-fifth (22.7 %) goes to DKI Jakarta and about 15 % goes to Lampung (see Table 3.3.4). The reason why the migrants are more attracted to move to these provinces is obviously due to economic motives. Lampung, which has become a transmigration destination area since the colonial period (1905) has still attracted a high percentage of migrants, although the government has stopped the transmigration program. This is because this province is more developed and attracts spontaneous transmigrants. The reason why they are most likely to shift to Jakarta is clearly noted that this primate city offers plenty of opportunities to those who want to improve their standard of living.

TABLE 3.3.4
THE PERCENTAGE OF IMMIGRANT, OUTMIGRANT AND NET MIGRANTS FROM TOTAL MIGRANTS
IN 1971, 1980 AND 1985

No.	Province	Immigrant			Outmigrant			Net migrant		
		1971	1980	1985	1971	1980	1985	1971	1980	1985
1	Aceh	1.3	1.4	1.4	1.7	1.0	1.0	(0.4)	0.4	0.4
2	North Sumatra	8.1	5.2	3.7	4.3	4.2	4.6	3.8	1.0	(0.9)
3	West Sumatra	3.6	2.2	2.0	4.8	4.7	4.2	(1.2)	(2.5)	(2.2)
4	Riau	3.1	3.2	2.5	2.0	1.4	1.3	1.1	1.8	1.2
5	Jambi	2.3	2.7	2.6	1.5	0.9	0.9	0.8	1.8	1.7
6	South Sumatra	5.2	5.8	4.9	4.8	3.9	3.6	0.4	1.9	1.3
7	Bengkulu	0.6	1.1	1.0	0.6	0.4	0.4	0.0	0.7	0.6
8	Lampung	14.1	16.5	14.9	1.6	1.0	1.8	12.5	15.5	13.1
9	DKI Jakarta	25.5	24.1	22.7	6.9	7.3	9.9	18.6	16.8	12.8
10	West Java	9.4	10.4	13.2	18.8	14.7	13.8	(9.4)	(4.3)	(0.6)
11	Central Java	8.2	4.8	6.7	24.6	28.9	24.7	(16.4)	(24.1)	(18.0)
12	Yogyakarta	2.0	2.0	2.5	4.1	2.4	5.2	(2.1)	(0.4)	(2.7)
13	East Java	5.6	5.1	5.8	11.3	15.0	14.2	(5.7)	(9.9)	(8.4)
14	Bali	0.6	0.7	0.6	1.0	1.2	1.4	(0.4)	(0.5)	(0.8)
15	West N.Tenggara	0.6	0.5	0.6	0.3	0.5	0.4	0.3	0.0	0.2
16	East N.Tenggara	0.3	0.4	0.4	0.4	0.7	0.5	(0.1)	(0.3)	(0.1)
17	East Timor			0.2			0.1	-	-	0.1
18	West Kalimantan	0.4	1.0	0.7	0.8	0.8	0.7	(0.4)	0.2	0.0
19	Ctrl Kalimantan	0.8	1.3	1.2	0.4	0.3	0.5	0.4	1.0	0.7
20	South Kalimantan	1.3	1.4	1.7	1.6	1.8	1.8	(0.3)	(0.4)	(0.1)
21	East Kalimantan	0.6	2.6	3.0	0.8	0.6	0.9	(0.2)	2.0	2.1
22	North Sulawesi	1.7	1.2	0.8	1.0	1.2	1.2	0.7	0.0	(0.4)
23	Central Sulawesi	0.9	1.8	1.5	1.0	0.4	0.5	(0.1)	1.4	1.0
24	South Sulawesi	2.0	1.4	1.7	3.9	4.8	4.4	(1.9)	(3.4)	(2.7)
25	SEast Sulawesi	0.5	1.1	1.6	0.5	0.9	0.6	0.0	0.2	1.0
26	Maluku	0.8	1.2	1.0	0.9	0.7	0.9	(0.1)	0.5	0.1
27	Irian Jaya	0.5	0.9	1.1	0.4	0.3	0.5	0.1	0.6	0.6
Total %		100.0	100.0	100.0	100.0	100.0	100.0	0.0	0.0	0.0
Absolute		7,219,855	5,336,505	11,913,154	7,219,855	5,336,505	11,913,154	0.0	0.0	0.0

Source : BPS, 1987

CHAPTER IV

URBAN SQUATTING IN INDONESIA

4.1. The Causes of Urban Squatting

Two schools of thought on the causes of urban squatting in the Third World can be applied in the case of Indonesia. Those are : firstly, the imbalance between demand and supply for the housing of the urban poor and secondly, the manifestation of national, regional and urban imbalances caused by urbanization.

4.1.1. The Demand and Supply of Housing

About one quarter of Indonesia's total population are urban residents (World Bank, 1990). The combination of net migration and natural growth produces the overall population growth in Indonesia's cities. Consequently, the demand for housing in the cities has become increasingly high. To meet the massive numbers of housing demanded by the migrants would require an investment that the government cannot afford, while the financial capacity of the migrants cannot meet the demand for formal housing. Under such conditions, the migrants are forced to squat on both unoccupied private and government land where they erect their own shelters.

Therefore, it is true that squatter settlements are a rational solution to shelter problems in a highly restricted housing market (HABITAT 1987 : 15-16). In addition to this argument, it is clear that the root cause of squatting, including the case of Indonesia, cannot be blamed on the squatters

themselves but rather on the supply of conventional housing provided by the government at a price that unaffordable for many.

4.1.2. National, Regional and Urban Imbalances caused by Urbanization

As has been mentioned in chapter two, the dependency or neo-Marxist school sees squatting and problems of housing as only one manifestation of national, regional and urban imbalances caused by the type of urbanization occurring in developing countries. According to this theory, the solution is to correct the imbalances between core and periphery countries and within the periphery countries themselves.

As has been discussed in chapter three, the spatial development of Indonesia has led to sectoral and regional imbalances. The result is, of course, rural to urban migration, which contributes to the expanding and sprawling squatter settlements in the cities.

At the international level, using the concepts of centre-periphery and dependency theory, national imbalances of countries such as Indonesia can be explained as still remaining poor because of unequal relationships with the first world, and eventually this has affected the establishment and the growth of squatter settlements.

4.2. Grouping of Squatters in Indonesia

Squatters in Indonesia are classified into three groups namely : survivalist, transitional and upward mobile squatters (Wibowo, 1983 : 63-73).

4.2.1. Survivalist Squatters

This group is the largest and the poorest with the most critical concerns of poverty. Almost all squatters in this category (92%) decided to migrate from rural to urban areas to look for employment. However, more than 70 % were peasants and only around 16 % had skills, and more than two-thirds were unemployed prior to migration. They were almost entirely uneducated people (more than 95%).

As a consequence of this situation, they found it very difficult to participate in the modern economy of the city which requires high skill and education. However, despite that difficulty, in turn, the cities offered the best opportunities for them, as Wibowo (1983) writes :

Being mostly unskilled and uneducated, they are the most desperate group of squatters, whose immediate concern upon arrival in the cities is to survive... they grab and hang on to whatever income generating activities they can get. As a result they are wasted in lowly menial jobs, such as coolies and domestic servants. Hence, they are relabelled : the survivalist migrants.

4.2.2. Transitional Squatters

This group is slightly more advantaged than the previous selection. Within this group, squatters have skills and/or training for urban employment, but unfortunately, there are limited job opportunities in the cities and therefore they create their own business activities in the so called informal sector-economy.

4.2.3. Upward Mobile Squatters

This category comprises only about 11 percent of total

squatters, but they are the group who are most able to enter the formal urban economy. However, they still cannot escape their squatter condition.

More than 68 % of squatters within this group had a general education and more than 26 % had vocational training before they migrated. Because of such an educational background, they can get clerical and technical jobs in the city such as construction work, manufacturing and office work.

4.3. Characteristics of squatters in Indonesia

There are three aspects that characterize squatters in Indonesia, namely : physical, economic, and social characteristics.

4.3.1. Physical Characteristics

The common type of settlement in Indonesia (particularly in Java) is the village. As migrants arrive in towns or cities, they try to create a living condition which is similar to their previous situation in their village. "Kampung" or village types of settlement are characteristic of towns and cities, and life everywhere in Java is in fact something of a reinterpretation of the village pattern in terms of denser, more heterogeneous, less organically integrated urban environment (Geertz, 1970 :144).

However, because of their low level of income, low level of education and low awareness of health and the environment, the physical condition of kampung settlements in cities and towns is very poor. Agricultural habits and attitudes which have been internalized exacerbate the physical condition of squatter

settlements. For example, their habit of waste disposal in rural areas which can be done anywhere is brought to their new settlement in the cities. They could do so in their origin in which open land areas are still available and which naturally can decompose household wastes.

Therefore, as has been the case in many third world countries, squatter settlements in Indonesia are characterized by a very poor condition and do not meet health standards. Physically, their shelters are probably not appropriate to be called houses, rather a hut is a more applicable term where it is unfloored, and is characterized by flimsy walls and zinc or cartoon roof construction.

In terms of location, there are two principal types of location where squatters in Indonesia are situated (World Bank, 1990 : 114). First, they are found on the periphery of towns, along railways, canals and open drains, and in low lying and swampy areas. The second group is dispersed among the general population, side by side in kampungs with much more affluent households. Above all, the physical condition of squatter settlements in Indonesia does not meet any kind of standard, whether these be health, construction or safety official standards.

The problem will become more complex if we discuss the status of land that the squatters occupy. They have no land tenure, so if sometimes the owners of the land want to utilize that land, they are forced to leave the land and seek a new place to squat.

4.3.2. Economic characteristics

The informal sector is the principal economic sector of squatters. As migrants come to the cities largely to search for jobs that enable them to escape from rural poverty, in the cities they cannot find a job as easily as they expected as employment is not as abundant as they first believed. Facing this situation, they create their own economic activities in the so called informal sector. It is called informal because this sector is beyond regulation, control and administration of government.

In Indonesia, informal sector activities range from the scavenging of trash collection sites for all sorts of bottles, cans, plastic, paper, and other reusable materials; to door-to-door collection of domestic disposals (Wibowo, 1983 :7). The urban poor attempt to earn income from the small scale sector through such activities as becak driving, cottage industry, petty trade, construction work and small scale kampung services (Jellinek, 1991 : 57).

Because of their lack of skills and education, the level of productivity of squatters is low and therefore low incomes and weak purchasing power are manifestations of the poverty that characterize the majority of squatters (Habitat, 1982 :118). However, despite such marginality, the informal sector of squatters in Indonesia does not usually mean that they have subsistence incomes, and one most important fact is that this sector has given a significant contribution to the whole urban economy, as Jellinek identifies, "The kampung dwellers provided cheap labour, goods and services for the expanding city" (Jellinek 1991 :57).

All in all, informal sector activities which are created by squatters in urban areas are facts which must be seen as human resources and this creative economic activity of squatters should be encouraged, improved and formalized.

4.3.3. Social characteristics

Extended family characterizes the social life of squatters in Indonesia. For example, Jellinek describes a situation of one household :

Some poor households had no choice but to keep dividing up what little space they had. The Sani household, for example, consisted of thirteen people and had a family to each of its three wooden bunks. Those who could not fit simply slept on the floor (Jellinek, 1991 32).

To a great extent, the togetherness of squatter settlements is expressed in solidarity and mutual support,

Eventhough they worked independently as traders and each had to pay separately for many of the items they obtained, they also shared scarce working space, trade utensils, raw materials and amenities. They advised each other on good trade routes, current prices and how to avoid trader-clearance campaigns. They lent each other money... (Jellinek, 1991, 33).

In summary, although the life of squatters is very hard, they still have a strength through their togetherness, to break their poverty. They sill have warm and close social ties. They perform sharing in many forms both in happiness and in crisis.

4.4. Cities and Towns which are most affected

Almost all primate or big cities in Indonesia face problems of squatting. Most studies that deal with squatters are conducted in Java, particularly in Jakarta. It is clear why Java has become

the object of research because this island which occupies very little area (6.9 percent of the total area of Indonesia but houses 60 percent of the country's population) 'has maintained its status as the center of the country's population pressure' (Wibowo, 1983 : 26) and is the principal area where squatter settlements occur.

From the literature available, there are two cities in Indonesia which are most affected by squatter settlements. The first city is certainly Jakarta where the problems of squatting have been recognized worldwide since this city is the capital and metropolitan city where most migrants are willing to go to obtain better living conditions. Squatter settlements in Jakarta have been recognized as expanding and sprawling. The second city is Surabaya which is a coastal urban area in Java and the second largest metropolis in Indonesia (Wibowo, 1983 : 27).

CHAPTER V

POSSIBLE SOLUTIONS FOR
SQUATTING PROBLEMS IN INDONESIA

5.1. Existing Policies

There are two broad categories of policy concerning reducing urban poverty in Indonesia : these consist of direct, and indirect policies. Direct policies are those addressed directly to the urban poor such as The Kampung Improvement Program (KIP) which addresses the need for shelter and related services for those urban households below the 20th percentile. This program provides a range of infrastructure at minimal standards including local roads, footpaths, drainage, water supply, public sanitation facilities and solid waste collection combined in some instances with social services (schools and health facilities).

Another direct policy is the clearance of slum and squatter settlements which has more negative impacts rather than positive ones. The government sees that this kind of settlement is the place of a vicious circle of poverty as Jellinek (1991 :xix) describes :

The demolition of kampung highlighted the opposing views of kampung dwellers and city planners. The former saw the kampung as a bustling hive of activity and a place of hope. The latter saw it as a slum whose inhabitants were caught in a vicious circle of poverty.

Indirect policies which strongly attack squatting problems in Indonesia concentrate on rural development. This policy is designed in order to reduce the inflow of rural people to cities to search for jobs, as research has found that more than two-

thirds of migration to the cities of Indonesia is in order to find jobs (Wibowo, 1983 : 95).

From these three policies aforementioned, there are only two which can be hope to be applied, while another one : demolition, is not a popular policy any longer. On the contrary, such policies worsen the housing aspects of the squatters, as Wibowo argues :

Various slum clearance programs devised around aesthetic, health, and construction standard considerations were undertaken with little regard for the inhabitants, resulted in little effect on the growth of squatter colonies. Moreover, such programs have been found to exacerbate the housing aspects of squatter problems, since demolition without reinstatement merely deprives people of homes and thereby creates further demand for shelter (Wibowo, 1983 :16).

5.1.1. The Kampung Improvement Program (KIP)

KIP was originally initiated in Jakarta in 1969. This program has been a nationwide program for upgrading informal, unplanned and unserviced "urban villages", particularly in lower income communities (World Bank, 1990 :122). This is a government program of site-service and upgrading of urban villages, where the squatters are heavily concentrated, through the provision of basic infrastructure and socio economic programs designed to enhance the living conditions of low-income urban dwellers.

Some progress has been achieved in improving the living conditions of the urban poor through KIP. Drainage, waste disposal, sanitation, footpaths and community support for physical improvement are reported as having been improved in most KIP schemes. It is also recorded that private home improvement has been advantaged by KIP twice as much as in non improved

areas. In short, the KIP has shown a good performance in addressing the needs for urban poor.

However, this success is not without obstacles or weaknesses. Money seems to be the main constraint in KIP difficulties. As a consequence of the limitation of funds to finance the program, some phenomena have appeared as well. First, it is reported by the World Bank that public investment in kampung micro-infrastructure has been small, less than 0.25 % of annual public expenditure to date. In addition, there was a decrease in levels of KIP funding where during REPELITA III it represented about 6 % of urban infrastructure expenditures, but in the next step of REPELITA it declined to only 4 %.

Secondly, in fact, not all aspects or sectors can be addressed. The greatest budget allocation of KIP was given to physical development such as roads, footpath and drainage, while less funding relatively was allocated to sanitation, solid waste or water supply. Surprisingly, community development has not been a priority within the KIP. In fact, it has been recognized that community development will provide a bridge between government and kampung dwellers. The flow of information from the people to the government and back to the people again as the bottom up process of development can be conveyed through this community scheme.

5.1.2 Demolition

It has previously been mentioned that demolition will give a non-satisfactory result. Learning from past experiences, demolition policies always create other problems to both the

government and squatters. If one location is cleared, its dwellers move to look for another place to re-squat.

In addition, government runs the risk of being taken to court by the squatters when their area is demolished. However, they have rarely or even hardly ever won in court, but the claim is not without logical reasons. The majority of slum and squatter dwellers claim that their presence in their area is legal since they have occupied the sites for years without any objection from anybody, or any institution. Their existence is just questioned when government or private companies need to utilize these areas.

Therefore, even massive demolitions will not be able to solve problems of squatting which have increased in large cities in Indonesia, particularly in Jakarta. Consequently some policies which act as an alternative to demolition policies should be developed.

5.2 Possible Solutions

The Kampung Improvement Program is still recommended to be carried out since this program has potential to address the physical needs of the urban poor. However, some obstacles should be removed.

Furthermore, there are two broad possible solutions which are recommended, namely direct and indirect solutions.

5.2.1. Direct Solutions

Direct solutions are associated directly with the squatters themselves. I am inclined to support and to agree with what Wibowo (1983) has recommended, that "different programs should

be formulated for different squatters". The following is a summary of the recommendations.

- (1) Programs for survivalist squatters should be more concentrated to increase their productivity in order to enhance the level of their income. Furthermore Wibowo recommends : " a more positive program is to legalize a number of selected activities, and to set up the means to finance the squatters into specialized business activities that hire out unsophisticated labour such as janitors, excavators, gardeners and pedicabs and horse buggies for tourism purposes".
- (2) Informal economy activities within transitional squatters such as the servicing of cars, radios, and other electrical appliances; tailors and dress makers; and the counterfeit productions of various merchandise of famous brand names - are more sophisticated than activities in the previous group. Therefore, it is recommended to formalize these informal economy activities in order that these activities can enter the urban economy and urban community as Wibowo writes : "The formalization of these activities will provide them with the means to do business through the proper channels, a stable source of income, and a way to integrate with the urban community. Moreover, their existence can be incorporated toward the development and/or enlargement of the municipal production sectors which capitalize on these people's rather advanced skills. While it gives these squatters jobs, it also

curbs the deluge of counterfeits".

- (3) Relocation programs are to be recommended for the upward mobile squatters and the program can provide the squatters with a better environment and give them a choice of a better housing at a price that they can afford.

5.2.2 Indirect Solutions

Indirect solutions are defined to be associated with the policies which are aimed to lessen the factors and causes of squatting. There are two policies that are proposed, namely rural development and control of unoccupied land.

5.2.2.1 Rural Development

Undoubtedly, rural development is a very necessary approach. As an agricultural country, Indonesia has been carrying out rural development since the first development plan (1969-74) was launched. And it has been mentioned in previous chapters that the root cause of squatting in Indonesia is rural-urban differentiation. Development, as has been known, is more concentrated in urban areas, and is a result of the income gap between rural and urban areas. Rural development is considered to be important in reducing the exodus of people that migrate from rural to urban areas. A set of rural programs which are able to terminate or slow the inflow of rural people to cities needs to be implemented.

Rural development programs should, therefore, be designed to bring about employment opportunities for rural people as well

as improving agricultural production. Appropriate technology can be applied in order to be able to perpetuate economic growth as well as give rise to an equitable distribution of development gains.

Rural development, in the meantime, should also improve human potential through education in both quantity and quality. This is aimed at increasing the skill and productivity of rural people which in turn will increase their level of income. The programs of education should be applicable to both agricultural and rural industrialization and employment. New ways to promote appropriate agricultural technology is considered to be important to be introduced through both formal and informal education, for example. Eventually, most of educated rural people, if not all, can be absorbed by the employment opportunities in rural areas themselves.

5.2.2.2 Control of Unoccupied Land

As long as unoccupied land including the land along railways, canals and open drains are not controlled and looked after, squatters settlements will continue to grow. At the first time of squatting, there will be only one or two shelters, but these will later grow to become a dense squatter settlement.

These uncontrolled unoccupied lands give an easy access to the new comers to erect shelters. Should the local government demolish this settlements they will easily and suddenly re-erect them as soon as the security apparatus has gone. This kind of situation has commonly occurred which in turn has put the government in a state of lost dignity.

However, it is not impossible that the new comers will be reluctant to erect shelter on unoccupied lands if these locations are controlled, managed and looked after well and tidily. It is very possible that the community which is living in healthy and legal settlements surrounding the unoccupied land will spontaneously prohibit them to build the illegal housing there, because they know that the new comers will change the environment from a clean and healthy atmosphere into squalor.

Therefore, intensifying control of unoccupied land is a very important step to be implemented. Control should not only be focused on government or public land, but also upon private land which commonly belongs to developers which very often postpone to utilize it with a hope of an increase of the value of that land. Hence, regulations should be applied to both the government and to the private sector which possess unoccupied land.

CHAPTER VI

C O N C L U S I O N

...while the rate of city growth is frequently twice that natural increase, in some states the shanty towns are growing at rates above 10 per cent, that is at double the growth rate of the city. It has been estimated that by 1990 three quarters of Lima's population will be living in shanty towns (Lloyd, 1979 :20).

That is the case in Lima. Will Indonesia have the same result?. As a developing country, Indonesia is also facing increasing problems of squatting. Squatter settlements have been expanding and sprawling in most big cities, particularly in Jakarta and Surabaya. The massive demand for housing cannot be fulfilled by its supply due to the limitation of government budgets which have forced the migrants to squat on unoccupied and illegal land. Imbalances in sectoral and regional sectors as well as at the national level have also exacerbated squatter settlement problems in Indonesia.

Compared with other developing countries, problems of squatting in Indonesia are probably not worse, but despite that fact, they share similar urban problems. Therefore, policies to reduce the squatter problem in urban areas "should be geared toward the resolution of problems both in the urban areas, where the issues are visually manifest, and in the villages which serve as the source of migrants" (Wibowo, 1983 :104).

It is not expected, of course, that this rural to urban migration will lead to a "culture of poverty" as is the case in North American ghettos, where unemployment, low levels of education and non-participation in urban institutions and city

life within the ghettos are transmitted to later generations (Habitat, 1987 :12). It is also necessary for government to have a strong political will in order that squatters can release themselves from the ring of misery or from "slums of despair".

Therefore, some policies are considered important to be applied both in urban and rural areas. Direct solutions dealing with squatters themselves should be encouraged. Indirect policies such as rural development and control of unoccupied land need to be applied. However, to carry out such policies, nation wide planning should be undertaken with regard to the geographical situation of the country and its heterogeneous socio-cultural diversity.

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