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Urban Poor Community Empowerment Through Environmental Improvement and Income Generation Initiatives : North Jakarta, Indonesia

The correlation between poverty and poor infrastructure, degraded environments and health risks is most striking in Indonesian cities—in 1999, 32% of Indonesia's poor were in urban areas. Only a third of urban households had access to piped water. Currently, modern sewer networks serve only 1% of the urban population. Solid waste collection is highly inconsistent and disposal sites are inadequate. Substandard drainage and poor land development result in regular flooding. Following the decentralization movement begun in 2001, local governments are now responsible for conventional urban infrastructure services in addition to education and health care—yet most lack the resources and technical expertise to tackle such overwhelming challenges.

In order to facilitate empowered communities, government must better understand the multi-dimensional causes of poverty and environmental degradation at the local level. This requires local government officials' direct and meaningful engagement in all stages of program implementation: community dialogue, assessment, problem solving, project development, evaluation, and identification of policy barriers to improved conditions. When communities play a central role in their development, they become more independent, capable and sustainable.

Jakarta -The Capitol City of Indonesia, has benefited from ongoing interaction between centralized government and local planning and development authorities. Jakarta is not only Indonesia's largest city, it is projected to rank as the largest megalopolis in East Asia as early as 2015, encompassing more than 17 million people. Jakarta's conditions are highly varied; progress is evident in a downtown business district lined with skyscrapers, wealthy residential enclaves and burgeoning manufacturing zones. However, a large portion of the city consists of a vast patchwork of slum communities. Poor residents are typically concentrated in informal settlements that are characterized by varying degrees of land tenure status, marginal sites, disaster vulnerability, and substandard provision of housing, infrastructure, and environmental services.

Led by Mercy Corps – an international humanitarian organization, the Jakarta Focus City Team is implementing a project to help build the capacities of governments, communities, and the private sector to work together for improved service provision.

The project is working in Kelurahan Penjaringan, one of the poorest and largest slum neighbourhoods in North Jakarta where livelihood strategies are overwhelmingly informal and mainly comprised of fishing, food vending and waste scavenging, and where the lack of clean water, solid waste and sanitation services creates significant health threats.

The project's strategy is to create economic incentives for environmental upgrades in low-income urban neighborhoods by combining income-earning activities and pro-poor market solutions with environmental services provision. Interventions will be geared towards household-level income generating or savings opportunities, and may include expanded waste pickup and recycling services, sludge and water treatment and delivery.

This project centers on pioneering sustainable, participatory planning processes and solutions to alleviate environmental and poverty related burdens in the study area. The project seeks to contribute knowledge, understanding, and best practices centering on four primary issues:

1. *Market-Driven Environmental Improvements:* This program focus on unlocking market mechanisms that will make it profitable for households and businesses to create healthier environments in poor neighborhoods.
2. *Empowered Residents:* Urban slum residents like Penjaringan's need greater opportunities for making household and community level choices. The project focus on empowering community to generate and implement their own solutions to economic, environmental and other challenges.
3. *Responsive Government:* In order to facilitate empowered communities, government must better understand the multi-dimensional causes of poverty and environmental degradation at the local level.
4. *Locally Capable Partners:* A network of local research institutions, NGOs, and community-based organizations are committed to understanding and addressing environmental and poverty issues in Jakarta.

The Project activities are covering 3 environmental aspects: solid waste, sanitation and water supply. In general, those are included the following activities:

1. Participatory Research of existing data & information
2. Training Provision
3. Monitoring & Evaluation
4. Dissemination of Findings to public & Partnership with related government agencies

The key features of this project are participatory process and partnership between poor community and local government. Empowerment of poor community will improve the quality of this collaboration. However, discontinuities in government leadership and excessive politicization of issues can lead to disruptions.

Urban Poor Community Empowerment Through Environmental Improvement and Income Generation Initiatives : North Jakarta, Indonesia

I. Urban Poverty And Governance

Structural change on a global scale, together with waves of technological innovation, have made our world more interdependent; and globalization processes of diverse kinds have penetrated every corner of the world. These powerful changes have seen the ascendancy of large cities and have opened the opportunity for creative management; but they have also exposed the weaknesses of urban management and urban structures in dealing with complex problems such as poverty. Cities, often overwhelmed by the continuous influx, have frequently been unable to keep up with the provision of basic services. Thus, in 1994 at least 220 million urban dwellers (13 percent of the developing world's urban population) lacked access to clean drinking water; almost twice as many had no access to even the simplest latrines. Between a third and two-thirds of the solid waste generated went uncollected, piling up on streets and in drains, contributing to flooding and the spread of disease¹.

The correlation between poverty and poor infrastructure, degraded environments and health risks is most striking in Indonesian cities—in 1999, 32% of Indonesia's poor were in urban areas. Only a third of urban households had access to piped water. Currently, modern sewer networks serve only 1% of the urban population. Solid waste collection is highly inconsistent and disposal sites are inadequate. Substandard drainage and poor land development result in regular flooding. Following the decentralization movement begun in 2001, local governments are now responsible for conventional urban infrastructure services in addition to education and health care—yet most lack the resources and technical expertise to tackle such overwhelming challenges.

Together with rapid urbanization, Indonesia has also been undergoing a process of large-scale “big-bang” decentralization since 2001, transferring public service delivery responsibilities to regional and local governments. Urban areas are the key drivers of the economy, contributing over 70% of non-oil economic output and with the urban population expected to multiply to six times the size of Jakarta today by 2030, providing basic services to the urban poor is considered to be a key strategy for poverty reduction in the country.² Nearly a decade after the economic crisis, annual public and private spending on infrastructure has only reached 80% of pre-crisis levels, while population pressures on essential services have grown unabated. Nearly half of Indonesian households suffer from unsanitary conditions and health risks measure as some of the

¹ World Bank, *Challenge of Urban Government : Policies and Practices*.

Freire, Maria Emilia(Editor). 2001

² World Bank, *Indonesia: Averting an Infrastructure Crisis: A framework for Policy and Action*, June 2004.
<http://siteresources.worldbank.org/INTINDONESIA/Resources/Publication/04-Publication/avertinginfrastructure.pdf>

highest in East Asia.³ The lack of all levels of sanitation service results in severe health and environmental consequences and economic losses of an estimated 2.4% of GDP - equivalent to about US\$7 billion per year in 2001.⁴

In order to facilitate empowered communities, government must better understand the multi-dimensional causes of poverty and environmental degradation at the local level. This requires local government officials' direct and meaningful engagement in all stages of program implementation: community dialogue, assessment, problem solving, project development, evaluation, and identification of policy barriers to improved conditions. When communities play a central role in their development, they become more independent, capable and sustainable.

II. Study Case: Environmental Improvement and Income Generation in North Jakarta

A. Project Overview

Expected to become East Asia's largest metropolitan region by as early as 2015,ⁱ Jakarta -The Capitol City of Indonesia, has benefited from ongoing interaction between centralized government and local planning and development authorities. Jakarta is not only Indonesia's largest city, it is projected to rank as the largest megalopolis in East Asia as early as 2015, encompassing more than 17 million people. Jakarta's conditions are highly varied; progress is evident in a downtown business district lined with skyscrapers, wealthy residential enclaves and burgeoning manufacturing zones. However, a large portion of the city consists of a vast patchwork of slum communities. Poor residents are typically concentrated in informal settlements that are characterized by varying degrees of land tenure status, marginal sites, disaster vulnerability, and substandard provision of housing, infrastructure, and environmental services.



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The project's strategy is to create economic incentives for environmental upgrades in low-income urban neighborhoods by combining income-earning activities and pro-poor market solutions with environmental services provision. Interventions will be geared towards household-level income generating or savings opportunities, and may include expanded waste pickup and recycling services, sludge and water treatment and delivery.

Focused in Penjaringan Village, one of Jakarta's largest slum areas, the project is linking



³ World Bank, *Indonesia: Averting an Infrastructure Crisis: A framework for Po*
<http://siteresources.worldbank.org/INTINDONESIA/Resources/Publication/04-Publication/avertinginfrastructure.pdf>

⁴ ADB, 1998, TA No. 2805-INO, Strengthening of Urban Waste Management Po
1998.

with other research and local partners who are conducting similar work related to issues of infrastructural improvement and service delivery. Appropriate interventions has been identified in collaboration with the communities, taking into account social, environmental, technical and financial considerations defined through extensive participatory research within Penjaringan and Jakarta.

This project centers on pioneering sustainable, participatory planning processes and solutions to alleviate environmental and poverty related burdens in the study area. The project seeks to contribute knowledge, understanding, and best practices centering on four primary issues:

5. *Market-Driven Environmental Improvements:* This program focus on unlocking market mechanisms that will make it profitable for households and businesses to create healthier environments in poor neighborhoods.
6. *Empowered Residents:* Urban slum residents like Penjaringan's need greater opportunities for making household and community level choices. The project focus on empowering community to generate and implement their own solutions to economic, environmental and other challenges.
7. *Responsive Government:* In order to facilitate empowered communities, government must better understand the multi-dimensional causes of poverty and environmental degradation at the local level.
8. *Locally Capable Partners:* A network of local research institutions, NGOs, and community-based organizations are committed to understanding and addressing environmental and poverty issues in Jakarta.

An important aspect of the project is the participation not only of local communities, but also sanitation, health and planning department staff from all levels of governments. The North Jakarta municipal government is facilitating access to PPMK (Community Empowerment Project) funds that disburse block grants annually to this neighborhood for infrastructure and economic programs. Ultimately, through the direct participation and input of various government agencies into the project's activities, this project will better target and increase government allocations while increasing opportunities for replication of best environmental practices within low-income communities.

The specific objectives by which the project will be measured include:

- To assess knowledge and conditions related to current environmental practices, services, and markets in the areas of water, solid waste, and sanitation in several poor neighborhoods in Penjaringan.
- To test and develop participatory pilot project interventions that demonstrate how economic benefits can be achieved at the household level in several poor neighborhoods in Penjaringan through the adoption of environmentally beneficial practices.

- **To influence policy, practice, and planning that promotes economically beneficial practices that alleviate environmental burdens in poor North Jakarta communities.**

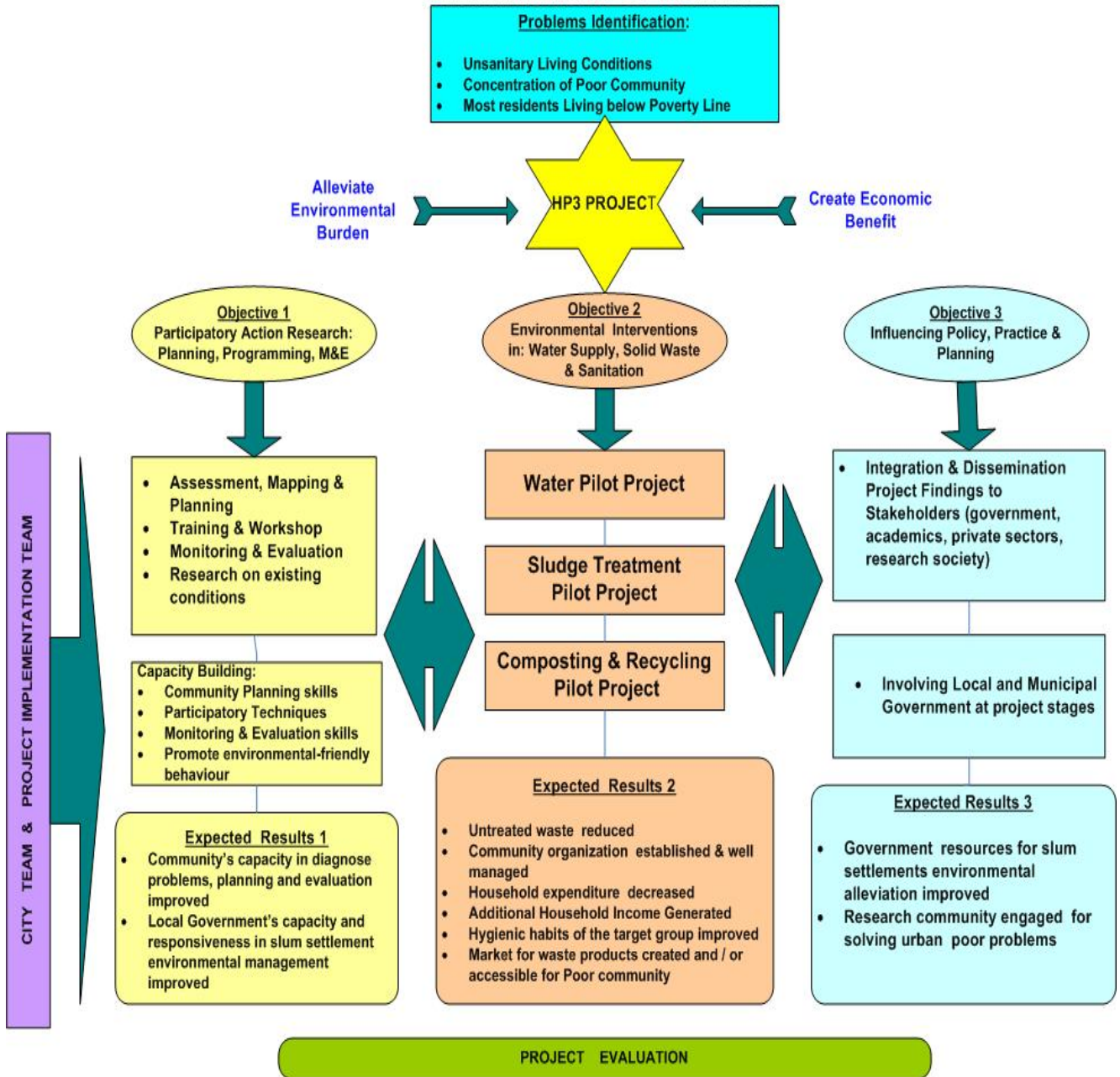
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- 8. Dissemination of Findings to public & Partnership with related government agencies**

The overall project overview is as shown in figure 1

Figure 1

PENJARINGAN PROJECT FRAMEWORK



B. The Study Area : Penjaringan Village, North Jakarta

The project is working in Penjaringan Village, one of the poorest and largest slum neighbourhoods in North Jakarta where livelihood strategies are overwhelmingly informal and mainly comprised of fishing, food vending and waste scavenging, and where the lack of clean water, solid waste and sanitation services creates significant health threats. The village covers 395.43 Ha of land (approximately 4.0 km²). The largest area of land is used for housing (56%), followed by industrial use and warehouses, which together account for approximately one-third of the land area in Penjaringan.

Penjaringan Village is an economically diverse area, there are a wide variety of economic activities within both formal and informal sectors. Many residents of Penjaringan work in services, or other aspects of the informal sector. This has implications for long term job security and socio-economic stability for low income households. A large percentage of the population of Penjaringan are employed as labour - 33%, or 18,171 residents (Penjaringan Village report, 2005). This category includes employees of manufacturing industries and construction workers. Employment between various sectors is divided according to gender. Many women are employed in more informal domestic activities; working as a domestic help, or having their own small stalls, selling meals to labourers living in rental housing and/or snacks to neighbourhood children, or making traditional snacks to sell in the market areas. Meanwhile, men in the Village are more dominant in construction work, and in formal sector activities, and larger scale trading.



In 2005, 3.19% of the households in Penjaringan Village were classified as 'poor' by the government (1,786 households) and qualified for government assistance through the fuel-subsidy compensation program (Penjaringan Village report, 2005). Another 392 households have a 'poor resident' certificate that entitles them to receive subsidized health care and education.

According to the Village statistics, 25% of the residents of Penjaringan have not graduated from elementary school. For the population that did attend school, 28% are elementary school graduates, 18% are junior high school graduates, while only 10% have graduated from senior high school and 3% have attended a higher education/university level.

There are several established community groups in Penjaringan Village. The Women Organization is very active and has implemented group activities like religious gatherings (prayer meetings) and credit and saving schemes, alongside its usual activities relating to childhood health. There is also an active youth group which puts together social, sport and religious activities in the community. In addition, there are a number of community groups which assist families in times of distress. One community group helps residents to cover costs of funeral expenses; The program is one example of a self-initiated



social service by the community, and it is both valued and utilized by many members of the community (Mercy Corps, 2006).

The local government reports that it has tried to develop the human resource capacity of this area through regular training and mentoring services provided by Village Community Development Agency (Mercy Corps, 2006). In an effort to increase the leadership capacity within the Village, the local government committee has conducted a mentoring program to every RW to assist in monitoring the social and economic situation at the local level. In response to incidences of flooding and fire, the Village has conducted a number of community activities to anticipate and prepare for such disasters.⁵

Environmental problems in the study area are caused by accumulation of waste carried by rivers and canals originated from the city. Poor community behaviour towards sanitation and high expenses on clean water, creating more burden and deterioration. Large volumes of garbage, originating as waste in Jakarta's rivers and canals, are carried by tides into the slum's shoreline areas. This situation, in combination with insufficient local trash collection, produces high daily volumes of untreated garbage. Access to clean water is a substantial problem in Penjaringan; groundwater is either completely saline, brackish, or contaminated, while the piped water supply from the city's centralized network often suffers problems and discontinuity of supply because of low pressure⁶. The groundwater table is extremely high in the area; well water is not potable due to salinization and other contamination. Most households do not have water taps in their homes and buy from distributors at extortionate rates, or use well water, both of which require boiling. Public latrine use throughout Penjaringan is high; in North Jakarta 68% of the poor population uses public latrines, and 32% have private latrines. The majority of public latrines do not have proper septic tanks (Mercy Corps, 2006), and the spread of communicable diseases from public latrines that do not practice proper hygiene has been documented as a health hazard for low-income communities (pers.comm. Dr. Charles Surjadi, July 27 2006).



C. Target Group Participation In The Planning, Implementation And Follow Up Of The Project

Communities must be the agents of their own transformation for new initiatives to endure. When communities play a central role in their development, they become more independent, capable and sustainable. Penjaringan leaders and residents set collaborative priorities and achieve economic and environmental improvements through the participatory project experience. Some specific approaches for achieving community ownership and empowerment in the project include:

- Community Steering Committees (CSCs) is formed at the RW (hamlet) level comprised of diverse community representatives. CSCs then serve as community liaisons, integral in leading the community in relevant with project activities.

⁵ Kooy, Michelle and Koostanto, Haryanti ; *Penjaringan Village Community Profile*; Mercy Corps.2006

⁶ Municipal network water supply in Penjaringan is provided by the private sector operators, Palyja.

- **The project ensure** fair representation of and participation by women, youth, lowest income and other traditionally under represented groups **in** Penjarangan's community decision making processes and activities.

The project continue to practice successful inclusion techniques, such as targeting information at female volunteer, religious and social groups. Research methodologies prioritize women and other marginalized groups by applying study tools and instruments that include female heads-of-households, youth, and lowest income and unemployed community members. The project's research and pilot interventions will seek to diagnosis problems and deliver specific environmental solutions targeted at female community members, since women most commonly deal with water, solid waste, and sanitation management as part of their daily domestic tasks. Furthermore, the project require that CSCs reflect the neighborhood in terms of age, economic and social diversity.

As part of ongoing implementation and dialogue within these pilots, the team will analyse the necessary and most sustainable governance arrangements for the continuity of these models of community based upgrading.

At the community level, information tools will be contextual— research findings will be disseminated through traditional community meetings, school campaigns, and local volunteer presentations .

The greatest potential for perpetuating project's benefits is directly linked to project replication by local entities. In the case of this project, these are the local North Jakarta municipal government departments that oversee Penjarangan. A prime thrust of the project is to create sustainable models of economic/environmental improvement that can adopted by communities and replicated through local government commitment, human resources and funding.

III. Challenges and Opportunities

Indonesian Decentralization Laws in 1999 devolved wide responsibilities to local governments in districts, cities, and villages. They are responsible for providing health, education, public works, communications, and the management of land and other environmental resources. The laws do not specify which functions are mandatory for each category of local authority and which are optional or shared with other authorities. This lack of clarity notwithstanding, local governments have continued to take the lead role in addressing the needs of lower income communities⁷.

Local government is becoming at a key juncture in Indonesia: local departments have larger budgets, manpower, and responsibilities coupled with a growing desire to deliver effective services to citizens. Yet, they lack educational, skill, and best practices bases; administrative capacity; and budgetary accountability for achieving results

⁷ Serageldin, Mona; *Local Government Actions To Reduce Poverty and Achieve Millennium Development Goals*

The positive side, the policy environment in Indonesia is favorable for this approach; in recent years there has been heightened interest in small-scale, innovative community-based infrastructure developments and the government is open to applying proven models. Democratic local government has enabled them to institutionalized participatory process.⁸ Particularly in Jakarta, participatory planning process has been implemented at local level up to municipal and provincial government. Development Planning Discussion (Musrenbang) become a formal dialogue forum between communities and local authorities. Meanwhile, lack of community capability to diagnose problems in their neighborhood and formulate community planning to improve their living conditions often resulting low percentage of community's aspiration accommodated in the government annual development planning and budget.

A key element of the project is the integration of local, provincial and national government staff into all aspects of the research development, experimentation and policy influence. A local government official from the Municipal Planning Board of North Jakarta has been assigned to work with the team and will coordinate internally within government ministries so that the project findings can be transferred to inform policies.

The key features of this project are participatory process and partnership between poor community and local government. Empowerment of poor community will improve the quality of this collaboration. However, discontinuities in government leadership and excessive politicization of issues can lead to disruptions. Then again, the sustainability of urban poor empowerment projects will remain the main challenge.

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