



# PROVINCE OF JAKARTA: EMPOWERMENT AS THE ENGINE OF SOCIAL SUSTAINABILITY

## Cities In Transition: Metropolis 2011

Social Sustainability and Governance: Bringing  
Integrated Urban Governance into Practice

In conjunction with Commission III

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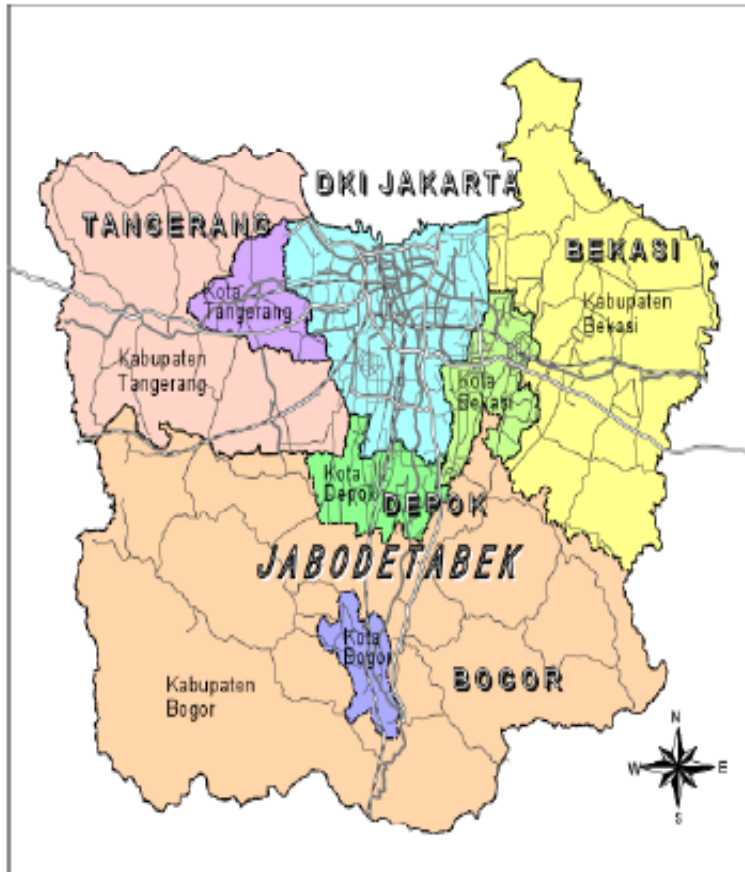
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# PROVINCE OF DKI JAKARTA

## JABODETABEK REGION



- Jakarta is one of the 11 Megacities in the Asia Pacific region and 10th largest city in the world
- Population of Jakarta 10 million, greater Jakarta 29 million
- Greater Jakarta, Jabodetabek, the urban area, is the second largest in the world
- Jakarta has an area of 661 square kilometres (255 sq mi). Population density is 14.446 people per/km<sup>2</sup> and is the 9th largest urban population density in the world



# EMPOWERMENT OF SEMI-URBAN COMMUNITIES PPMK

1. Covers Jakarta's 267 Kelurahan - an administrative subdivision below a sub District
2. Maximum size of loans is Rp 5 million (US\$ 450) per individual and Rp 25 million (US\$ 2400)
3. Initial capital, for each *kelurahan* cooperative is Rp 540 million (US\$ 450.000)



# THE AIM

- ◉ Created in 2001 in response to the monetary crisis of 1998 and Indonesia's transition to democracy. Indonesia's per capita income was 1,088 dollars in 1997, and in 1998 dropped to only 610 dollars
- ◉ Then there was the devastating 2002 floods, forcing people at the lower end of the economic scale, who were still facing difficulties due to the monetary crisis, even further down into poverty. From the beginning PPMK was designed as a pro-poor government program that used the principles of economic democracy.
- ◉ Governance must not just be top down but also bottom up - participation of the residents is crucial
- ◉ The purpose of the program is to empower people, teach members of grassroots' communities to consult and agree in determining their own interests, so that they can then carry out the decisions together.
- ◉ This way community networks are strengthened at the *grass root level* by encouraging cooperation among individuals so as to develop "social capital" or a feeling of mutual trust among people

# THE PRINCIPLES

- ◉ **Democracy:** Overall participation is built on the same rights and obligations, which are based on freedom to meet together and to express opinions and which hold firmly to consultation as the highest decision-making forum.
- ◉ **Participation:** All members of the community have an active role in planning, implementation and supervision of all activities.
- ◉ **Transparency:** All activities from the beginning (planning), implementation and supervision are known by all parties that have an interest in them. The whole PPMK process, and information about it, can be accessed by stakeholders, and the information that is provided must be sufficient for them to understand and observe/monitor activities.
- ◉ **Accountability:** It must be possible to account for all activities, both technically and administratively.
- ◉ **Decentralisation:** Trust is placed in the community to handle development in its own area through local institutions.
- ◉ **Sustainability:** The results of activities can be made sustainable and can be expanded by the community itself through local community institutions that are self-reliant and professional.

# THE PROGRAM

- ◉ The initial objective of PPMK was to empower less well-off residents of Jakarta by providing loans from revolving funds for micro business undertakings.
- ◉ The program is managed by and for the community and there are three aspects of the program:
  1. The Economic Pillar has given revolving loans to people in need of financial help (60 %)
  2. Physical Environment Pillar has consisted of grants to people to improve facilities and infrastructure in their own Neighbourhood (*rukun warga*, RW) through mutual help and reciprocal assistance. (20%)
  3. The Social Pillar is also a grant designed to increase skills through training for those without permanent employment or for those in need of skills to improve their household economy and their lives. (20%)

# THE LEARNING PROCESS

- ◉ Members of the community obtained the opportunity to train themselves in identifying problems, compiling plans and implementing programs - determining their own solutions at the local level
- ◉ After PPMK was audited in 2007, the Jakarta Government had an opportunity to review the effectiveness of the program. It was decided that accountability would be focused upon moving forward as this was crucial to build social trust
- ◉ There was a change making the program a cooperative After running for two years. The people of Jakarta find the cooperative system is far more open, transparent and accountable.

# THE RESULTS

- ⦿ One of the successes of PPMK is its ability to facilitate semi-urban communities in their efforts to expand dynamic economic and social activities as well as physical activities involving the development of infrastructure.
- ⦿ The welfare of the poorest residents is starting to be improved seen by the fact that Jakarta has the smallest number of poor people compared to other places in Indonesia
- ⦿ Jakarta has become the guardian of democracy for the country





### The Onion Trader in East Jakarta

- Borrowed U\$ 450 in 2009
- Today employes at least 30 women in his area and his turn over daily is U\$ 300
- He has expanded & now he only sells onions over 3 kg



### The fried-food seller in North Jakarta

- First time borrowed U\$ 100, then twice U\$ 75 and finally U\$ 250
- Today his clean daily profits are U\$ 10/day
- He has become the leader of PPMK in his area



THANK YOU

